



Glenn Youngkin
Governor

Caren Merrick
Secretary of
Commerce and Trade

COMMONWEALTH of VIRGINIA

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Bryan W. Horn
Director

TO: Members of the Commission on Local Government
FROM: DHCD Staff
DATE: March 11, 2024
SUBJECT: Draft Agenda and March Regular Meeting Materials

Dear Commissioners:

Staff is looking forward to March regular meeting, which will be held in conjunction with the VSA proceedings in Leesburg. The meeting will be at 10:00 a.m. on March 22, 2024, in person at the Leesburg Town Hall, 25 West Market Street.

Please find enclosed the following:

1. Draft agenda for the March Regular Meeting of the Commission;
2. Draft Minutes from the January 5, 2024 Regular Meeting of the Commission;
3. Draft Minutes from the February 16, 2024 Special Meeting of the Commission;
4. Updated proposed review schedule for the Town of Washington and County of Rappahannock Voluntary Settlement Agreement;
5. Draft notice of public hearing for the Washington/Rappahannock VSA;
6. Draft internal review schedule for the report on the Voluntary Settlement Agreement between Loudoun County and the Town of Leesburg;
7. Form TH-07 for completing the periodic review of 1VAC50-11, Public Participation Guidelines
8. Memo from staff on progress towards regulatory reduction goals under Executive Order 19;
9. Proposed draft text of 1VAC-50-20, updated based on comments received at the January meeting;
10. Regulatory review timelines for the proposed stage;
11. The State Agency Guide to Standard Regulatory Process;
12. The enrolled text of SB645;
13. The fiscal impact statement accompanying SB645;
14. The introduced text of HB725

If you have any questions or require additional information, please feel free to contact me at 804-310-7151 or legrand.northcutt@dhcd.virginia.gov

I hope you have a wonderful week and look forward to seeing you on March 22nd!





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DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

AGENDA

Commission on Local Government
Regular Meeting: March 22, 2024, 10:00 a.m.
Leesburg Townhall
25 W. Market Street
Leesburg, VA 20176
Virtual via Microsoft Teams

FOR VIRTUAL ATTENDANCE

Microsoft Teams meeting
Join on your computer, mobile app or room device
Click [here](#) to join the meeting
Meeting ID: 228 337 766 445
Passcode: raooxb
Download Teams | Join on the web
Or call in (audio only)
+1 434-230-0065,,526026502# United States, Lynchburg
Phone Conference ID: 526 026 502#

1. Occupancy for the meeting space is limited, so the Commission encourages members of the public to observe the meeting through the Microsoft Teams link provided above. Please contact LeGrand Northcutt (legrand.northcutt@dhcd.virginia.gov) for information on how to connect to the meeting using this method.
2. Members of the public viewing the meeting through the Microsoft Teams option are required to mute themselves during the meeting unless called upon by the Commission Chair to speak. The CLG reserves the right to remove from its virtual meetings anyone who does not abide by these rules.
3. Access to meeting materials for members of the public is available on the corresponding meeting page of the [Virginia Regulatory Town Hall website](#) and on [Commonwealth Calendar](#).

I. Call to order (Chair)

- II. Administration**
- a. Approval of the draft agenda (Chair)
 - b. Approval of minutes of the regular meeting on January 5, 2024 (Chair)
 - c. Approval of minutes of the special meeting on February 16, 2024 (Chair)



- d. Public comment period (Chair)
 - e. Staff's report (Staff)
- III. Cases before the Commission**
- a. Rappahannock/Washington VSA
 - i. Approval of updated review schedule (Staff)
 - 1. Presentation of updated review schedule (Staff/Parties)
 - 2. Commission deliberation and action (Chair)
 - ii. Approval of dates
 - 1. Report due date
 - a. Commission deliberation and action (Chair)
 - 2. Date to close the record
 - a. Commission deliberation and action (Chair)
 - iii. Approval of advertisements
 - 1. Commission deliberation and action (Chair)
 - iv. Discussion of logistics
 - b. Loudoun/Leesburg Voluntary Settlement Agreement
 - i. Special meeting for report due date (Chair)
 - 1. Commission deliberation and action
 - ii. Internal report review schedule (Staff)
 - 1. Staff presentation
 - 2. Commission deliberation
- IV. Regulatory items**
- a. Periodic review results (Staff)
 - i. Approval of TH-07 for 1 VAC 50-11: Public Participation Guidelines
 - 1. Commission deliberation and action (Chair)
 - b. Regulatory reduction (Staff)
 - i. Update on Notice of Intended Regulatory Action
 - ii. Timeline for proposed stage
 - iii. Discussion of draft text for 1 VAC 50-20: Organization and Regulations of Procedure
 - 1. Staff presentation
 - 2. Commission deliberation (Chair)
 - c. Relocation of guidance documents
- V. 2024 General Assembly Session**
- a. Update on items that affect or are of interest to the Commission (Staff)
- VI. Commission workgroups**
- a. Fiscal stress report work group (Staff)
- VII. 2024 Schedule of regular meetings** (Staff)



VIII. Other business

(Chair)

IX. Adjournment

(Chair)





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COMMONWEALTH of VIRGINIA

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Bryan W. Horn
Director

Commission on Local Government

January 5, 2024

2:00 p.m.

Virginia Housing Center

4224 Cox Road

Glen Allen, VA 23060

Members Present

Ceasor T. Johnson, D.Min, Chair
Edwin S. Rosado, Vice Chair
Diane M. Linderman, PE (attending virtually)
Robert W. Lauterberg
Call to Order

Members Absent

None

The Commission on Local Government (CLG) Chair, Dr. Ceasor Johnson, called the meeting to order at 2:15 p.m.

Mr. LeGrand Northcutt, Senior Policy Analyst at the Virginia Department of Housing and Community Development (DHCD) initiated a roll call vote. Mr. Northcutt informed the Chair that a quorum of Commissioners Johnson, Rosado, and Lauterberg were present in person, with Commissioner Linderman attending virtually.

Pursuant to the Commission's electronic meetings policy, Commissioner Linderman attended virtually under provision #4 due to a personal matter. She attended from St. Petersburg, Florida, where she was on vacation with her family. There was no objection to her virtual participation.

Election of Officers for 2024

The Chair opened the floor for nominations for Vice Chair of the Commission. Commissioner Rosado nominated Commissioner Lauterberg, and the nomination was seconded by Commissioner Linderman.

Commissioner Lauterberg was elected unanimously.



The chair then opened the floor for nominations for Chair of the Commission. Commissioner Lauterberg nominated Commissioner Rosado, and the nomination was seconded by Commissioner Linderman.

Commissioner Rosado was elected unanimously and assumed the position of Chair for the remainder of the meeting.

Administration

The draft agenda was adopted unanimously on a motion by Commissioner Lauterberg and a second by Commissioner Johnson.

The minutes from the November 3rd, 2023 regular meeting were adopted unanimously on a motion by Commissioner Lauterberg and a second by Commissioner Johnson.

The Chair opened the floor for the public comment period.

Kimberly Dyke thanked the Commission for making its meeting accessible online.

The Chair closed the public comment period.

The Chair introduced the following guests who were in attendance, both in person and virtually:

- Rosemary Mahan
- Dr. Staphanie Davis
- Kristen Dahlman
- Representatives from Loudoun County, the Town of Leesburg, Rappahannock County, and the Town of Washington

Staff Report and Updates

Mr. Northcutt gave an update on articles of interest to the Commission that were distributed in the meeting packet. The articles covered recent zoning changes in Loudoun County and the Town of Kilmarnock's anticipated boundary line adjustment.

Staff gave additional updates regarding the appointment of the newest commissioner, which has been approved but not finalized, and a report on recent boundary line adjustments in King and Queen County.

Staff briefly gave an update on the status of pending and completed periodic reviews and regulatory reduction.



Presentation of Commemorative Resolutions The Chair presented commemorative resolutions to the following former commissioners and staff:

- Rosemary Mahan, Commissioner from 2018-2022
- Dr. Staphanie Davis, Commissioner from 2019-2023
- Kristen Dahlman, former Commission staff and DHCD Policy and Legislation Director from 2015-2023

Cases before the Commission Pursuant to 1VAC50-20-40 of the Virginia Administrative Code, the Chair suspended the rules of debate and instituted a time limit of 10 minutes for each party to discuss the notification of mediation, stay, and responses.

Loudoun County and the Town of Leesburg

Notice of mediation and stay Commissioner Lauterberg recused himself from the discussion and the vote since he will not be participating in the case due to a conflict of interest.

Andrew McRoberts, counsel for Loudoun County, presented the County's motion and proposed that the Commission accept the notice of mediation and the three month stay in its discretion granted by the statute. He stated that a stay would be in the best interest of the parties, the Commission, and staff, and the suspension of adverse proceedings would make a settlement more likely.

Greg Haley, Counsel for the Town of Leesburg, presented the County's response and argued that the Commission did not have discretion to issue a stay, that the County's interpretation of the statute granting such discretion was incorrect, and that the stay request should be rejected.

Upon further questions from the chair about how to best interpret the statute, Mr. McRoberts gave additional reasons why a stay was in the public interest, such as the overall intent of the general assembly and conservation of public funds, and Mr. Haley responded that impending deadlines are typically what forces a settlement.

Commissioner Linderman commented that she did not want the Commission to obstruct or delay the proceedings that will eventually go to court and moved to partially accept the County's notice of desire to attempt to negotiate as a valid notice under 15.2-2907E, but reject



the portions of the request that ask for a stay and keep the Commission’s hearing dates and report due date as scheduled.

The motion was seconded by Commissioner Johnson. The motion passed unanimously.

The parties agreed to give regular updates to staff as mediation and negotiations continue.

Administrative Case Management Order

Mr. Haley presented the administrative case management order. Mr. McRoberts proposed the following amendments:

- 1) Change the stipulations due date to February 5;
- 2) Allow the parties to identify additional documents 15 days before the hearing date;
- 3) Change the date for exchange of exhibits and witnesses to February 19. Objections must be submitted by February 28;
- 4) Adding the following language to Section VII: “The Chairman may make additional appropriate revisions and changes to this schedule on his own motion in order to promote mediation and settlement.”

Commissioner Linderman moved adoption of the administrative case management order with the proposed amendments. The motion was seconded by Commissioner Johnson. The motion passed unanimously.

Cases before the Commission

Rappahannock County and the Town of Washington

Joe Whitead, Mayor of the Town of Washington, presented the background on the proposed voluntary settlement agreement between the Town of Washington and Rappahannock County. The parties asked the Commission to hold oral presentations and a public hearing in Washington on May 20th and issue a report at the July regular meeting.

Commissioner Lauterberg moved to approve the review schedule. The motion was seconded by Commissioner Johnson. The motion passed unanimously.

Regulatory Reduction

Mr. Northcutt presented further ideas for regulatory reduction of 1VAC50-20. The Commissioners discussed potential changes to the executive sessions regulations and directed staff to not remove “title” back into the regulations that require any person who files before the commission to provide their personal information.

FY2022 Fiscal Stress Report

Ms. Grace Wheaton, Senior Policy Analyst at DHCD, advised the Commission that a six-month extension will be needed to complete the



FY22 fiscal stress report because there are several localities that have not submitted their required reports to the Administrator of Public Accounts.

HB1681 (2023) Residential
Land Development and
Construction Fees

Mr. Chase Sawyer, Senior Policy Analyst at DHCD, presented a proposed course of action for the Commission to complete the surveys and data collection required by HB1671 (2023). Mr. Sawyer proposed sending a survey instrument to localities in early February to comply with the March 1 deadline. The survey results will be reported to the Commission at the next regular meeting.

Commissioner Johnson moved to direct staff to develop the survey instrument and proceed with the proposed action. The motion was seconded by Commissioner Lauterberg. The motion passed unanimously.

2024 General Assembly
Session
Update on Commission work
groups and committees

Staff updated the Commission on the rules for the 2024 session and will report on bills of interest to the Commission

Mr. Northcutt updated the Commission on the Fiscal Stress Report ad hoc work group. The work group will continue its work once the 2024 session adjourns.

Ms. Linderman gave a brief update on the Code Commission work group on public notices. The work group's proposed legislation is pending before the General Assembly, and it does not anticipate meeting again for the 2025 session.

Schedule of Regular
Meetings
Adjournment

The Commission will reschedule its May regular meeting due to conflicts and lack of a quorum. May 21 was tentatively agreed upon.

Commissioner Johnson moved to adjourn, seconded by Commissioner Lauterberg. The meeting adjourned at 3:45.





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DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Bryan W. Horn
Director

Commission on Local Government

Special Meeting

February 16, 2024

11:00 a.m.

Virginia Department of Housing and Community Development

600 East Main Street

Richmond, VA 23219

Members Present

Edwin S. Rosado, Chair
Ceasor T. Johnson, D.Min, (attending virtually)
Diane M. Linderman, PE (attending virtually)
Terry Payne

Members Absent

Robert W. Lauterberg, Vice Chair, not attending because of recusal from the case discussed at this meeting

Call to Order

The Commission on Local Government (CLG) Chair, Edwin Rosado, called the special meeting to order at 11:00 a.m.

Mr. LeGrand Northcutt, Senior Policy Analyst at the Virginia Department of Housing and Community Development (DHCD) initiated a roll call vote. Mr. Northcutt informed the Chair that a quorum of Commissioners Johnson, Linderman, Rosado, and Payne were present, with Commissioners Johnson and Linderman attending virtually.

Pursuant to the Commission's electronic meetings policy, Commissioner Linderman attended virtually under provision #4 due to a personal matter. She attended from Midlothian, Virginia. There was no objection to her virtual participation.

Pursuant to the Commission's electronic meetings policy, Commissioner Linderman attended virtually under provision #2 due to his residence being more than 60 miles from the place of the meeting. He attended from Concord, Virginia. There was no objection to his virtual participation.



Approval of Agenda

The Chair asked for amendments to the draft agenda to strike section III a and replace it with “update on voluntary settlement agreement negotiations”, change section III ii to consider multiple schedules, as well as add a section under other business for a staff update on SB645, fiscal distress bills.

Commissioner Linderman moved the amendments and adoption of the draft agenda. The motions were seconded by Commissioner Payne and passed unanimously.

Public Comment Period

The Chair opened the floor for the public comment period.

There was no public comment, so the Chair closed the public comment period.

The Chair introduced the following guests who were in attendance:

- Greg Haley, representing the Town of Leesburg
- Max Hlavin, representing Loudoun County

Cases before the Commission

Mr. Haley updated the Commissioners on the status of the voluntary settlement agreement between the Town and the County.

Loudoun County and the Town of Leesburg

Mr. Haley explained that, at their January mediation, the Town and County reached an agreement on the terms of the VSA. They include annexation only with consent of the property owners, the elimination of out-of-town water rates, a 25 year additional moratorium on city status petitions from the Town, a \$2 million/year economic development payment to the Town, and both parties seeking approval of the VSA by the end of 2024.

The Town has not gotten consent from Microsoft, the largest landowner in the area, and therefore was not able to approve the VSA at its February 13th meeting as originally planned. Mr. Haley stated that Microsoft has verbally agreed to consent, but it is not likely that they will get Microsoft’s consent in writing in time to keep the March 7th hearing dates.



If the Town does get Microsoft's consent in time to keep the March 7th hearing date, then the Commission will continue with its previously adopted hearing schedule. The County adopted the agreement at its regular meeting on February 6th with the ability to make minor amendments if the Town were to pass a substantively similar version.

Mr. Hlavin agreed with Mr. Haley's update, thanked the Town for its hard work, and stressed that it is important to the County for the Town to get consent from the property owners even though this is not required by law.

Presentation of contingent review schedules

Because the Town's adoption of the VSA, and therefore the Commission's review, is contingent upon Microsoft's consent to be annexed, Mr. Northcutt presented two review schedules, one for March 7th, and one for March 21st, contingent upon the Town's receipt of Microsoft's consent to be annexed.

After discussion with the parties, Commissioner Linderman suggested that the case be heard later in the day to allow the Commissioners to arrive on Thursday morning instead of Wednesday evening. Commissioner Linderman then moved the following amendments to the review schedule: 1) move and shorten the morning site visit to 10:00 am to 11:30 am, and 2) begin opening statements after lunch at 1:00 pm. The motion was seconded by Commissioner Johnson and passed unanimously.

Commissioner Linderman moved to adopt the amended review schedule with a second by Commissioner Johnson. The motion passed unanimously.

Approval of Notice of Public Hearing

Staff presented the draft notice of public hearing required by Code of Virginia 15.2-2907(B). Commissioner Payne moved and Commissioner Linderman seconded to adopt the notice and direct staff to publish the notice in the Loudoun Times-Mirror on dates contingent upon the review schedules. The motion passed unanimously.

Other business

Staff updated the Commission on SB654, regarding localities in fiscal distress, which passed the Senate 34-6.

Update on bills that affect the Commission

If a locality is deemed to be in fiscal distress by the Auditor of Public Accounts, the bill directs the Commission to oversee a state intervention team, report to the Governor on the likelihood that the



locality can exit fiscal distress with state intervention, hire an emergency fiscal manager, and work with said manager to develop a remediation plan for the locality to exit fiscal distress.

The bill will have a fiscal impact on the Commission and may undergo further revisions as it moves through the House. Staff will keep the Commissioners updated on developments with the bill.

Schedule of Regular Meetings

The Commission discussed its upcoming regular meetings and whether those meetings should be rescheduled to correspond with upcoming cases.

Commissioner Linderman, with a second by Commissioner Johnson, moved to move the March regular meeting to March 8th or March 22nd to correspond with the public hearing in the Loudoun/Leesburg case, contingent upon which review schedule is followed. The motion passed unanimously.

Commissioner Linderman, with a second by Commissioner Johnson, moved to move the May regular meeting to May 21st to correspond with the public hearing in the Washington/Rappahannock case. The motion passed unanimously.

Adjournment

Commissioner Linderman moved to adjourn, seconded by Commissioner Payne. The meeting adjourned at 12:30.



Proposed Washington/Rappahannock VSA Review Schedule – March 11, 2024

Monday, November 20, 2023 – Notice Received			
Friday, January 5, 2024 – Regular Meeting of the Commission			
Thursday March 22, 2024 – Regular Meeting of the Commission			
Monday, May 20, 2024 - Oral Presentation and Public Hearing			
1:30 pm	Potential site visit	Commissioners, staff, and parties	Annexation area
3:00 pm – 5:00 pm	Oral presentations*	Commissioners, staff, and parties	Rappahannock County Court House
7:00 pm	Public hearing*	Commissioners, staff, and public	Rappahannock County Court House
Tuesday, May 21, 2024—Commission meetings			
10:00 am	Regular Meeting of the Commission*	Commissioners and staff	Location TBD
After adjournment	Executive Session	Commissioners and staff	Location TBD
Monday June 3, 2024 -- Proposed date to close the record			
Friday, July 12, 2024 – Proposed Commission report due date (with 60-day extension)			

*Meetings open to the public with virtual attendance option.

Dates to be established by the Commission:

- Date to close the record
- Commission report due date

**NOTICE OF PUBLIC HEARING
TOWN OF WASHINGTON – COUNTY OF RAPPAHANNOCK
VOLUNTARY SETTLEMENT AGREEMENT**

Chapters 29 and 34 of Title 15.2 of the *Code of Virginia* requires the Commission on Local Government (CLG) to hold presentations and public hearings on proposed voluntary settlement agreements between localities. As part of its review of the proposed voluntary settlement agreement (proposed agreement) between the Town of Washington and Rappahannock County, the CLG will hold an oral presentation and a public hearing on May 20th, 2024. This notice contains details on how to access the proceedings.

ORAL PRESENTATIONS by the Town and County will begin at 3:00 p.m. on May 20th, 2024. The presentations will be held at the Rappahannock County Court House and are open to the public.

Rappahannock County General District Court
250 Gay Street
Washington, VA 22747

The presentations may be viewed electronically. Information for electronic attendance can be found on the Virginia Town Hall website, or at the following link:

[insert town hall link]

A PUBLIC HEARING to hear comments on the proposed agreement will be held at 7:00 p.m. on May 20th, 2024, at the Rappahannock County Court House.

Any person wishing to testify before the CLG at the public hearing may register in advance at Town Clerk's office, in person at the public hearing, or by contacting Barbara Baston, 540-675-3128, townofwashington@washingtonva.gov, or LeGrand Northcutt, (804) 310-7151, legrand.northcutt@dhcd.virginia.gov.

The public hearing may be attended electronically and there will be an option to comment electronically. When registering to testify, please indicate if you will be present in person or electronically. Information for electronic attendance can be found on the Virginia Town Hall website, or at the following link:

[insert town hall link]

Any person requiring special accommodations should contact LeGrand Northcutt at 804-310-7151 / Virginia Relay 7-1-1 by May 13th, 2024.

WRITTEN TESTIMONY concerning the proposed agreement will also be accepted by email to legrand.northcutt@dhcd.virginia.gov, or through mail postmarked by [date to close the record], 2024 to the CLG's offices at:

Commission on Local Government
600 East Main Street, Suite 300
Richmond, VA 23219

Copies of the proposed agreement and other material and data submitted to the CLG by the Town and County will be available to the public for examination at the County Administrator's Office, the Town Clerk's Office, and on the CLG's website: <https://www.dhcd.virginia.gov/commission-local-government-clg>

The CLG will report its findings and recommendations as to whether the proposed agreement is in the best interest of the Commonwealth on or before its July regular meeting.

This notice is intended to satisfy the provisions of Va. Code § 15.2-2907(B) and 1VAC50-20-630.

Loudoun/Leesburg VSA Report: Internal Commission Review Schedule (6 weeks)

Action/Event	Date
Presentations and Hearing	3/21
Executive Session	3/22
Record Closes (proposed)	4/4
Draft report due from staff	4/17
Commissioner Feedback due to staff	4/24
Special meeting to approve report	Week of April 29 (Original May 3 due date)



townhall.virginia.gov

Periodic Review and Small Business Impact Review Report of Findings

Agency name	Commission on Local Government
Virginia Administrative Code (VAC) Chapter citation(s)	1 VAC 50-11
VAC Chapter title(s)	Public Participation Guidelines
Date this document prepared	March 22, 2024

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19, the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

Acronyms and Definitions

Define all acronyms used in this Report, and any technical terms that are not also defined in the "Definitions" section of the regulation.

CLG: Commission on Local Government

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia or Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

The promulgating agency is the Commission on Local Government. Section 2.2-4007.02 directs all agencies to develop public participation guidelines. Section 15.2 – 2903 (1) enables the Commission to promulgate regulations generally.

Alternatives to Regulation

Describe any viable alternatives for achieving the purpose of the regulation that were considered as part of the periodic review. Include an explanation of why such alternatives were rejected and why this regulation is the least burdensome alternative available for achieving its purpose.

The alternative to the regulatory change is to maintain the regulations in their current form. The regulation does not impact small businesses, as only local governments and citizens appear before the Commission.

Public Comment

Summarize all comments received during the public comment period following the publication of the Notice of Periodic Review, and provide the agency's response. Be sure to include all comments submitted: including those received on Town Hall, in a public hearing, or submitted directly to the agency. Indicate if an informal advisory group was formed for purposes of assisting in the periodic review.

Commenter	Comment	Agency response
NONE	NONE	NA

No comments were received.

Effectiveness

Pursuant to § 2.2-4017 of the Code of Virginia, indicate whether the regulation meets the criteria set out in the ORM procedures, including why the regulation is (a) necessary for the protection of public health, safety, and welfare, and (b) is clearly written and easily understandable.

The regulation is required by a proscriptive statute, specifically § 2.2-4007.02. It is further necessary to uniformly and effectively govern the process by which the public participates in the Commission's proceedings and regulatory actions.

Decision

Explain the basis for the promulgating agency's decision (retain the regulation as is without making changes, amend the regulation, or repeal the regulation).

If the result of the periodic review is to retain the regulation as is, complete the ORM Economic Impact form.

Retain the regulation as is. There was no public comment regarding changes to the regulation, and the regulation is governed by statute.



Small Business Impact

As required by § 2.2-4007.1 E and F of the Code of Virginia, discuss the agency's consideration of: (1) the continued need for the regulation; (2) the nature of complaints or comments received concerning the regulation; (3) the complexity of the regulation; (4) the extent to which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (5) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the regulation. Also, discuss why the agency's decision, consistent with applicable law, will minimize the economic impact of regulations on small businesses.

The regulation is necessary to uniformly and effectively govern public input received by the Commission
2) No comments were received. 3) The regulation is not overly complex. 4) The regulation is interpretive of state law as required by the Administrative Process Act, and includes specific reference to state code where applicable. 5) The regulations were last amended in 2018, and there has not been a periodic review since. However, the statute governing this chapter has not changed since 2012.

There is no need to analyze the impact on small businesses because small businesses do not appear before the CLG and its regulations do not directly impact them.



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Director

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

TO: Members of the Commission on Local Government
FROM: DHCD Staff
DATE: March 11, 2023
SUBJECT: Progress towards regulatory reduction goals under Executive Order 19

Commissioners:

Based on comments received at the January meeting and additional observations as we continue to review the Commission's regulations, staff has updated the draft text of 1VAC50-20 for review at the March meeting. This text is not final and does not need to be approved at this meeting. It will simply serve as a starting point for further discussion as we consider any comments received during the 30-day public comment period that will run from March 25, 2024 through April 24, 2024.

The changes we have made since the January meeting are highlighted in the text in the meeting packet. They are:

- Moving the election of officers for each year to the end of the November meeting instead of the beginning of the January meeting. Staff believes this change will smooth transitions by allowing the new officers to begin meetings each year and follows typical private-sector board practices;
- Clarifying that notices for special meetings must be sent by email instead of an ambiguous requirement to send them by email and/or regular mail;
- Adding back "title" as a contact requirement for all filings before the Commission, as suggested by Commissioner Lauterberg;
- Adding to 1VAC50-20-160 to give guidance for executive sessions and make the regulations reflect current practices, as requested by the Commission at the January meeting;
- Additional language changes in sections related to documents submitted to other parties to further reduce the number of pages that must be mailed to other parties. This will reduce paper consumption as well as time and expenses for local governments filing with the Commission;
- Additional clarifying references to DHCD's Freedom of Information Act policy;
- Rewriting 1VAC50-20-650 to clarify the procedures for notification and acceptance of formal mediation under 15.2-2907(E). These changes were made in consultation with



the Attorney General and are a better reflection of the statutory language. The changes are designed to codify the view adopted by the Commission and prevent the ambiguity that led to dueling motions on this issue in the Loudoun/Leesburg case.

With these updates, the Commission will meet its 25% regulatory reduction goal exactly, as shown by the tables below. Therefore, as you consider the draft text and future comments, any requirements on third parties added must be removed elsewhere to still meet this goal.

Table 1: Overall Regulatory Reductions

Number of discretionary regulations on regulated parties identified	191
Number of discretionary regulations on regulated parties suggested for elimination or reduction in draft text	48
Percent reduction	25.1

Table 2: Regulatory Reductions by Section

Regulatory Section	Discretionary Regulations suggested for elimination or reduction
150	+ partial** (FOIA)
180	13*
230	5*
270	4*
310	7* + partial (increase number of days for a response, reduce documents required to be submitted by interpleaders)
350	8 + partial (reduce documents required to be submitted by interpleaders)
382	6* + partial (reduce documents required to be submitted by interpleaders)
390	3
620	1
*reductions in submission length that are being replaced with requirement to provide staff contact information in a notice were counted as full reductions.	
**All partial reductions were combined to count as 1 additional reduction.	

As always, please reach out if you have any questions.

Sincerely,

Staff



Chapter 20. Organization and Regulations of Procedure

1VAC50-20-1. Applicability.

The Commission on Local Government's regulations are promulgated pursuant to the authority of § [15.2-2903](#) of the Code of Virginia and are applicable to the proceedings of the Commission on Local Government. When necessary to fulfill its statutory responsibilities, the commission may grant, upon its own initiative, a waiver or modification of any of the provisions of these regulations, except those required by law, under terms and conditions and to the extent it deems appropriate.

1VAC50-20-5. Definitions.

The following words and terms when used in this chapter shall have the following meanings unless the context clearly indicates otherwise:

"Chair" means the Chair of the Commission on Local Government.

"Commission" means the Commission on Local Government.

"County" means a county in the Commonwealth of Virginia.

"Local government" means a county, city, or town in the Commonwealth of Virginia.

"Locality" means a county, city, or town in the Commonwealth of Virginia.

"Municipality" means a city or town in the Commonwealth of Virginia.

"Party" means local governments, voters, or property owners initiating a proposed annexation, voters of any community requesting that their community be incorporated as a town, voters petitioning for the transition of a city to town status, or a committee appointed by the circuit court to act for and in lieu of a local government to perfect a consolidation agreement.

1VAC50-20-10. Principal duties.

The commission is charged with reviewing proposed annexations, other local boundary change issues, petitions for partial immunity, local government transitions, and interlocal agreements and with assisting other interlocal concerns for the purpose of maintaining the Commonwealth's local governments as viable communities in which their citizens can live.

1VAC50-20-40. Officers.

The commission shall elect from its membership at **the end of** its regular **January November** meeting, or as soon thereafter as possible, a chair and a vice chair, who shall serve terms of one year, or until their successors are elected. In the event of a vacancy occurring in the office of chair or vice chair, for any cause, the commission shall fill the same by election for the unexpired term. The chair shall preside at all meetings, presentations, and public hearings held by the commission unless absent. In the absence of the chair, the vice chair shall preside at any meeting or other assembly of the commission and shall exercise all powers and duties of the chair. In the event that the chair and vice chair are absent for a meeting or other assembly of the commission, the remaining members of the commission shall elect a temporary chair who shall exercise all powers and duties of the chair for the duration of the meeting or assembly.

1VAC50-20-50. Powers and duties of chair.

In addition to any other powers or duties placed upon the chair by law, this chapter, or other action of the commission, the chair shall be authorized to:

1. Request one or more members of the commission or its staff to represent the commission before local governing bodies, before state agencies and legislative committees, or before any other entity where the representation of the commission is requested or where the chair deems appropriate;
2. Select or change sites for oral presentations and public hearings;
3. Defer and reschedule issues the chair deems appropriate upon consultation with the commission;
4. Act on behalf of the commission in efforts to resolve disputes between the parties to an issue relative to the production and sharing of data, or with respect to related concerns bearing on the commission's review of an issue; and
5. Establish upon consultation with the parties an equitable distribution of time for public presentations and to make other arrangements the chair deems appropriate and consistent with the requirements of law and this chapter for the conduct of the commission's oral presentations and public hearings.

1VAC50-20-100. Canons of conduct.

The commission shall adopt, and may from time to time amend, Canons of Conduct regarding members' conduct and their relations with parties and their agents. Officials and agents of parties with issues before the commission shall be expected to obtain and review a copy of the Canons of Conduct.

1VAC50-20-110. Staff.

The commission shall have a staff consisting of an executive director, who shall be appointed by the Governor and confirmed by the General Assembly, and other employees as are needed and authorized by law.

1VAC50-20-140. Regular meetings.

The commission shall fix the time and place for holding regular meetings, which shall be held at least once every two months. Changes in the schedule and location of the regular meetings may be made by the commission, but the changes shall be duly announced in the Virginia Register of Regulations published by the Virginia Code Commission and posted on the Virginia Regulatory Town Hall.

1VAC50-20-142. Special meetings.

Special meetings of the commission may be called by any member on such occasions as may be reasonably necessary to carry out the duties of the commission. Except in instances where a special meeting is scheduled at a regular meeting, the chair shall cause to be mailed ~~including~~ by electronic means ~~to~~ all members, at least five days in advance of a special meeting, a written notice specifying the time, place, and purpose of the special meeting. Notice of special meetings shall be announced appropriately on the Virginia Regulatory Town Hall and on a calendar maintained by the Commonwealth.

1VAC50-20-150. Minutes of meetings and hearings.

Minutes shall be recorded for each public meeting held by the commission. The minutes shall include a brief summary of comments on major issues under consideration and concise and specific statements of all action taken by the commission. The minutes shall be provided to each commission member for reading and editing prior to approval at a subsequent commission meeting. There need be no actual reading of the minutes at the

meeting, but a vote shall be taken for the formal approval of the minutes as written or amended. Copies of the minutes of public meetings shall be made available to any interested party in accordance with the Department of Housing and Community Development's Virginia Freedom of Information Act policies. ~~at a price sufficient to cover the expense incurred or on the Virginia Regulatory Town Hall and the commission's Internet webpage.~~

1VAC50-20-160. Executive sessions or meetings.

The commission, along with its panels, committees, subcommittees, or its members, and staff, may hold and conduct executive sessions or meetings as may be necessary for mediation and negotiations, for deliberations, for meeting with local governing bodies or members thereof as allowed by Code of Virginia §15.2-2907(D), or for other lawful and appropriate purposes. Executive sessions of the Commission shall not be subject to the Virginia Freedom of Information Act (Chapter 37 of Title 2.2 of the Code of Virginia), nor shall they be governed by any Commission policy governing electronic meetings. Unless otherwise agreed to by a majority of the members of the session or meeting, such sessions and meetings shall be governed by Commission regulations.

Executive sessions or meetings may be called with notice given by the chair at his discretion and held in any location, in-person or virtually.

A quorum of Commissioners must be present to conduct an executive session or meeting.

No action of the Commission taken during an executive session or meeting that would be considered at a regular meeting or would otherwise require a public vote shall be binding unless the Commission takes a vote on such action at a subsequent regular meeting of the Commission.

The Commission may permit nonmembers to attend an executive session or meeting if such persons are deemed necessary by the Commission, if their presence will reasonably aid the Commission in its consideration of a topic that is a subject of the meeting, or as required by law.

Minutes and recordings may be taken during executive sessions or meetings but shall not be required. Pursuant to 1VAC50-20-170 and other applicable laws, such minutes and recordings shall be confidential.

The Commission reserves the right to meet in a closed meeting during a regular meeting as allowed by Code of Virginia §§ 2.2-3711 and 2.2-3712

1VAC50-20-170. Confidentiality of proceedings and submissions.

All testimony, statements, exhibits, documents, or other evidence submitted to the commission by the parties in conjunction with its legally prescribed public meetings, presentations, or hearings shall be subject to disclosure by the commission under the provisions of the Virginia Freedom of Information Act. All other materials, including the testimony, statements, exhibits, documents, or other evidence submitted to the commission pursuant to executive sessions or meetings, along with other deliberations, negotiations, or mediation which the commission is authorized by law to conduct, shall be treated as confidential and shall not be subject to disclosure by the commission nor by the parties involved in executive proceedings except by agreement of the commission and all parties to the proceedings.

1VAC50-20-180. Notice to commission of proposed action as required by § 15.2-2907 of the Code of Virginia.

~~A-~~ Notice of a proposed action as required by § 15.2-2907 of the Code of Virginia to the commission shall be accompanied by resolution of the governing body of the locality providing the notice evidencing its support of

such action. Notice to the commission shall indicate the name, **title**, address, phone number, and, where available, fax number and email address of the individual who shall serve as designated contact with the commission regarding the issue presented. ~~All notices required to be given the commission under the provisions of § 15.2-2907 of the Code of Virginia shall also indicate the other local governments given notice of the proposed action pursuant to subsection C of this section.~~

~~1- Notice of a proposed annexation initiated by voters or property owners shall be accompanied by the original or certified petition signed by 51% of the voters of any territory adjacent to any municipality or 51% of the owners of real estate in number and land area in a designated area. Notice to the commission shall indicate the name, **title**, address, and phone number, and, where available, fax number and email address of the individual who shall serve as designated contact with the commission regarding the issue presented. All notices required to be given to the commission under the provisions of § 15.2-2907 of the Code of Virginia shall also indicate the other local governments given notice of the proposed action pursuant to subsection C of this section.~~

~~2- Notice of a petition for the proposed transition of a city to town status that has been referred to the commission pursuant to § 15.2-4102 of the Code of Virginia shall indicate the name, **title**, address, phone number, and, where available, fax number and email address of the individual who shall serve as designated contact with the commission regarding the issue referred. All notices required to be given the commission under the provisions of § 15.2-2907 of the Code of Virginia shall also indicate the other local governments given notice of the proposed action pursuant to subsection C of this section.~~

~~3- Notice to the commission by a committee of citizens that has been appointed by the circuit court to act for and in lieu of a governing body to perfect a consolidation agreement pursuant to § 15.2-3531 of the Code of Virginia shall indicate the name, **title**, address, phone number, and, where available, fax number and email address of the individual who shall serve as designated contact with the commission regarding the proposed consolidation. All notices required to be given to the commission under the provisions of § 15.2-2907 of the Code of Virginia shall also indicate the other local governments given notice of the proposed action pursuant to subsection C of this section.~~

B. Any party giving notice to the commission of a proposed action pursuant to § 15.2-2907 of the Code of Virginia may submit with the notice as much data, exhibits, documents, or other supporting materials as it deems appropriate; however, the submissions should be fully responsive to all relevant elements of the applicable section of Part IV ([1VAC50-20-540](#) et seq.) of this chapter.

C. Any party giving notice to the commission of a proposed action as required by § 15.2-2907 of the Code of Virginia shall also give notice to each Virginia local government located within or contiguous to, or sharing functions, revenue, or tax sources with the local government proposing the action. All notices to the local governments shall include ~~an annotated listing of all documents, exhibits, and other material submitted to the commission in support of the proposed action.~~ contact information for the Commission's staff with instructions to contact the Commission or the locality's FOIA Officer, as applicable, **for copies of additional documents and exhibits submitted to the Commission.**

1. Any voters or property owners giving notice to the commission of a proposed annexation as required by § 15.2-2907 of the Code of Virginia shall also give notice to each Virginia local government located within or contiguous to, or sharing functions, revenue, or tax sources with the municipality to which annexation is sought. All notices to the immediately affected local governments shall include **copies of all documents, exhibits, and other material submitted to the commission in support of the proposed action, and notice to other localities may include, in lieu of copies of the submissions,** an annotated listing of the material. contact information for the Commission's staff with instructions to contact the Commission for copies of **additional documents and exhibits** submitted to the Commission.

2. Any voters whose petition for the proposed transition of a city to town status that has been referred to the

commission pursuant to § [15.2-4102](#) of the Code of Virginia shall also give notice to each Virginia local government located within or contiguous to, or sharing functions, revenue, or tax sources with the city proposed for town status. All notices to the immediately affected local governments shall include ~~copies of all documents, exhibits, and other material submitted to the commission in support of the proposed action, and notice to other localities may include, in lieu of copies of the submissions,~~ an annotated listing of the material, contact information for the Commission's staff with instructions to contact the Commission for copies of additional documents and exhibits submitted to the Commission.

3. A committee of citizens that has been appointed by the circuit court to act for and in lieu of a governing body to perfect a consolidation agreement pursuant to § [15.2-3531](#) of the Code of Virginia shall also give notice to each Virginia local government located within or contiguous to, or sharing functions, revenue, or tax sources with the local governments that are proposed to be consolidated. All notices to the immediately affected local governments shall include ~~copies of all documents, exhibits, and other material submitted to the commission in support of the proposed action, and notice to other localities may include, in lieu of copies of the submissions,~~ an annotated listing of the material, contact information for the Commission's staff with instructions to contact the Commission for copies of additional documents and exhibits submitted to the Commission.

D. Any local government receiving notice pursuant to subsection C of this section or any other affected party may submit data, exhibits, documents, or other material for commission review and consideration as it deems appropriate. The submissions should, however, be responsive to all relevant elements of the applicable section of Part IV ([1VAC50-20-540](#) et seq.) of this chapter. Any party submitting material to the commission for review pursuant to this section shall also designate an individual as principal contact for the commission and shall furnish the individual's name, title, address, phone number, and, where available, fax number and email address. The submitting party shall notify ~~An annotated listing of all documents, exhibits, or other material submitted to the commission pursuant to this section shall be provided to the party initiating the proceeding before the commission~~ of their submission. Such notification shall include contact information for the Commission's staff with instructions to contact the Commission for copies of the documents submitted to the Commission. The commission may establish a time by which all submissions by respondent parties must be received.

E. Upon its receipt of notice of a proposed action pursuant to subsection A of this section, the commission shall, subsequent to discussion with representatives of the party submitting the notice and other appropriate parties, schedule a review of the proposed action. The commission shall also concurrently extend the services of its office to the parties in an endeavor to promote a negotiated settlement of the issue and, further, may designate, with the agreement of the parties, an independent mediator to assist in the negotiations.

The commission's review of a notice of a proposed annexation as required by § [15.2-2907](#) of the Code of Virginia filed by voters or property owners shall be terminated upon receipt of an ordinance, duly adopted by a majority of the elected members of the governing body of the affected city or town, rejecting the annexation proposed by the notice.

1VAC50-20-230. Referral to commission of proposed voluntary settlement agreements.

~~A. Referral of a proposed voluntary settlement agreement to the commission under the provisions of § [15.2-3400](#) of the Code of Virginia shall be accompanied by resolutions, joint or separate, of the governing bodies of the localities that are parties to the proposed agreement requesting the commission to review the agreement. The resolutions shall also state the intention of the governing bodies to adopt the agreement subsequent to the commission's review and shall indicate the name, title, address, phone number, and, where available, fax number and email address of the individual who shall serve as each locality's principal contact with the commission during the period of its review. Referrals to the commission pursuant to § [15.2-3400](#) of the Code of Virginia shall also be accompanied by a listing of local governments receiving notice of the referral under subsection C of this section.~~

B. Any party referring a proposed voluntary settlement agreement to the commission for review pursuant to § [15.2-3400](#) of the Code of Virginia may submit with the proposed agreement as much data, exhibits, documents, or other supporting materials as deemed appropriate; however, the submissions should be fully responsive to all relevant elements of [1VAC50-20-610](#).

C. Whenever a proposed voluntary settlement agreement is referred to the commission for review pursuant to subsection A of this section, the parties to the proposed agreement shall concurrently give notice of the referral to each Virginia local government with which any of the parties is contiguous, or with which any of the parties shares any function, revenue, or tax source. All such notices of referral shall be accompanied by contact information for the Commission's staff with instructions to contact the Commission for copies of the documents submitted to the Commission ~~a copy of the proposed voluntary settlement agreement, or a descriptive summary thereof, and an annotated listing of all documents, exhibits, and other materials submitted to the commission in support of the proposed agreement.~~

~~D.~~ Any local government receiving notice of referral pursuant to subsection C of this section, or any other party, may submit data, exhibits, documents, or other supporting materials relevant to the commission's review as it deems appropriate; however, the submissions should be responsive to all relevant elements of [1VAC50-20-610](#). Any party submitting materials to the commission pursuant to this chapter shall also designate an individual who shall serve as principal contact with the commission during the period of its review and shall furnish the individual's **title**, ~~address, name, phone number, and, where available, fax number~~ and email address. The commission may establish a time by which all submissions by respondent parties must be received. Any party submitting materials to the commission pursuant to this chapter shall also notify the parties to the voluntary settlement agreement of their submission. Such notification shall include contact information for the Commission's staff with instructions to contact the Commission for copies of the documents submitted to the Commission. ~~provide an annotated listing of the material to the parties to the proposed voluntary settlement agreement.~~

1VAC50-20-270. Referral to commission of proposed town-county agreement defining annexation rights.

A. Referral to the commission of a proposed town-county agreement defining annexation rights pursuant to § [15.2-3231](#) of the Code of Virginia shall be accompanied by resolutions, joint or separate, of the governing bodies of the town and county requesting the commission to review the agreement. The resolutions shall also state the intention of the governing bodies to adopt the agreement subsequent to the commission's review and shall indicate the name, **title**, ~~address, phone number, and, where available, fax number~~ and email address of the individual who shall serve as each locality's principal contact with the commission during the period of its review. ~~Referrals to the commission pursuant to § [15.2-3231](#) of the Code of Virginia shall also be accompanied by a listing of local governments receiving notice of such referral under subsection C of this section.~~

B. Any affidavit made pursuant to Code of Virginia §15.2-3232B shall be filed with the Commission within 5 business days of execution.

C. Any notice given under Code of Virginia §15.2-3232B shall include contact information for the Commission's staff with instructions to contact the Commission for copies of the documents submitted to the Commission.

D. Any party referring a proposed agreement to the commission for review pursuant to § [15.2-3231](#) of the Code of Virginia may submit with the proposed agreement as much data, exhibits, documents, or other supporting materials as deemed appropriate; however, submissions should be fully responsive to all relevant elements of [1VAC50-20-560](#).

~~Whenever a proposed agreement is referred to the commission for review pursuant to subsection A of this section, the parties to the proposed agreement shall concurrently give notice of the referral to each Virginia local government with which either party is contiguous or with which either party shares any function, revenue, or tax source. All notices of referral shall be accompanied by a copy of the proposed agreement, or a descriptive summary thereof, and an annotated listing of all documents, exhibits, and other materials submitted to the commission in support of the proposed agreement.~~

E. Any person or local government receiving notice of referral pursuant to subsection C of this section, or any other party, may submit data, exhibits, documents, or other supporting materials relevant to the commission's review as they deem appropriate; however, the submissions should be responsive to all relevant elements of [1VAC50-20-560](#). Any party submitting materials to the commission pursuant to this chapter shall also designate an individual who shall serve as principal contact with the commission during the period of its review and shall furnish the individual's title, name, address, phone number, and, where available, fax number and email address. The commission may establish a time by which all submissions by respondent parties must be received. Any party submitting materials to the commission pursuant to this chapter shall also notify the parties to the agreement defining annexation rights of their submission. Such notification shall include contact information for the Commission's staff with instructions to contact the Commission for copies of the documents submitted to the Commission. ~~provide an annotated listing of the material to the parties to the proposed agreement.~~

1VAC50-20-310. Referral to commission of town petition for order establishing annexation rights.

A. Any town unable to reach an agreement with its county as to future annexation rights may, pursuant to § [15.2-3234](#) of the Code of Virginia, adopt an ordinance petitioning the commission for an order establishing its rights to annex territory in such county. The petition to the commission shall include the terms of a proposed order establishing the town's annexation rights and shall indicate the name, title, ~~address, phone number, and, where available, fax number~~ and email address of the individual who shall serve as the town's principal contact with the commission. Petitions to the commission pursuant to § [15.2-3234](#) of the Code of Virginia shall also be accompanied by a copy of the ordinance ~~and by a listing of all local governments being served or receiving notice of the town's petition pursuant to subsection C of this section.~~

B. Any town petitioning the commission under the authority of § [15.2-3234](#) of the Code of Virginia may submit with the petition as much data, exhibits, documents, or other supporting materials as deemed appropriate; however, the submissions should be fully responsive to all relevant elements of [1VAC50-20-616](#).

C. Any town petitioning for an order establishing its annexation rights under the authority of § [15.2-3234](#) of the Code of Virginia shall serve a copy of the petition and ordinance on the Commonwealth's attorney, or the county attorney if there be one, and on the chairman of the board of supervisors of the county whose territory would be affected by the town's proposed annexation order. ~~The town shall also give notice of its petition to all other towns located within the affected county and to each Virginia local government adjoining such county. The service in the county and the notice to other localities shall be accompanied by an annotated listing of all materials submitted to the commission pursuant to subsection B of this section.~~ shall include contact information for the Commission's staff with instructions to contact the Commission for copies of additional documents and exhibits submitted to the Commission.

D. A county served with a copy of a town's petition pursuant to subsection C of this section shall file its response to such petition with the commission within 60 days after receipt of the service. Any other party ~~receiving notice pursuant to subsection C of this section, with an interest in the proceedings~~ may also submit materials to the commission for consideration with respect to the town's petition ~~within 60 days of their receipt of the notice.~~ The commission may establish a time by which all submissions by respondent parties must be received so long as the time is no earlier than the County's response date. Responses and submissions to the commission pursuant to this chapter may include data, exhibits, documents, or other materials as the submitting party deems

appropriate; however, such responses and submissions should be responsive to all relevant elements of [1VAC50-20-616](#). Any party submitting materials to the commission for review pursuant to this chapter shall also designate an individual who shall serve as principal contact with the commission and shall furnish the individual's **title**, address, **name**, phone number, and, where available, fax number and email address. Any party submitting materials to the commission pursuant to this chapter shall also ~~provide an annotated listing of the material to the town petitioning the commission.~~ notify the Town that they have submitted materials to the Commission.

1VAC50-20-350. Referral to commission of boundary line adjustment.

A. Whenever a court refers a proposed boundary line adjustment to the commission pursuant to § [15.2-3109](#) of the Code of Virginia, the localities proposing the boundary line adjustment shall, upon receipt of notification of the referral, provide the commission with a copy of their petition to the court and shall designate an individual for each locality who shall serve as principal contact with the commission and shall furnish the individual's **name**, **title**, address, phone number, and, where available, fax number and email address. Referrals to the commission pursuant to § [15.2-3109](#) of the Code of Virginia shall also be accompanied by a listing of local governments receiving notice of the referral under subsection C of this section.

B. The two localities proposing a boundary line adjustment pursuant to § [15.2-3109](#) of the Code of Virginia may, jointly or independently, submit to the commission with their petition as much data, exhibits, documents, or other supporting materials as they deem appropriate; however, such submissions should be fully responsive to all relevant elements of [1VAC50-20-600](#).

~~C. Whenever a proposed boundary line adjustment is referred to the commission for review pursuant to § [15.2-3109](#) of the Code of Virginia, the localities proposing the adjustment shall concurrently give notice of the proposed adjustment as well as notice of the referral of the issue to the commission to each Virginia local government with which either party is contiguous and to any other Virginia local government deemed by the localities proposing the adjustment to be potentially affected by the proposed adjustment. The notice shall include a copy of the petition requesting the boundary line adjustment, or an informative summary thereof, and an annotated listing of all documents, exhibits, and other materials submitted to the commission for review pursuant to subsection B of this section.~~

D. Any ~~person or local government receiving notice of a proposed boundary line adjustment pursuant to subsection C of this section, or any other party,~~ may submit data, exhibits, documents, or other supporting materials relevant to the commission's review as they deem appropriate; however, such submissions should be responsive to all relevant elements of [1VAC50-20-600](#). Any party submitting materials to the commission pursuant to this chapter shall also designate an individual who shall serve as principal contact with the commission during the period of its review and shall furnish the individual's **name**, **title**, address, phone number, and, where available, fax number and email address. The commission may establish a time by which all submissions by respondent parties must be received. Any party submitting materials to the commission pursuant to this chapter shall also ~~notify provide an annotated listing of the materials to the localities proposing the boundary line adjustment.~~ the localities proposing the boundary line adjustment that they have submitted evidence to the Commission.

1VAC50-20-382. Referral to commission of proposed economic growth-sharing agreements.

A. Referral of a proposed economic growth-sharing agreement to the commission under the provisions of § [15.2-1301](#) of the Code of Virginia shall be accompanied by resolution, joint or separate, of the governing bodies of the localities that are parties to the proposed agreement requesting the commission to review the agreement. The resolutions shall also state the intention of the governing bodies to adopt the agreement subsequent to the commission's review and shall indicate the name, **title**, address, phone number, and, where available, fax number and email address of the individual who shall serve as each locality's principal contact with the commission

during the period of its review. ~~Referrals to the commission pursuant to § 15.2-1301 of the Code of Virginia shall also be accompanied by a listing of local governments receiving notice of the referral under subsection C of this section.~~

B. Any party referring a proposed economic growth-sharing agreement to the commission for review pursuant to § [15.2-1301](#) of the Code of Virginia may submit with the proposed agreement as much data, exhibits, documents, or other supporting materials as deemed appropriate; however, the submissions should be fully responsive to all relevant elements of [1VAC50-20-612](#).

C. Whenever a proposed economic growth-sharing agreement is referred to the commission for review pursuant to subsection A of this section, the parties to the proposed agreement shall concurrently give notice of the referral to each Virginia local government with which any of the parties ~~is contiguous, or with which any of the parties~~ shares any function, revenue, or tax source. All notices of referral ~~shall be accompanied by a copy of the proposed agreement, or a descriptive summary thereof, and an annotated listing of all documents, exhibits, and other materials submitted to the commission in support of the proposed agreement.~~ shall include contact information for the Commission's staff with instructions to contact the Commission for copies of the [additional documents and exhibits](#) submitted to the Commission.

D. Any local government receiving notice of referral pursuant to subsection C of this section, or any other party, may submit data, exhibits, documents, or other supporting materials relevant to the commission's review as it deems appropriate; however, the submissions should be responsive to all relevant elements of [1VAC50-20-612](#). Any party submitting materials to the commission pursuant to this chapter shall also designate an individual who shall serve as principal contact with the commission during the period of its review, and shall furnish the individual's [title](#), [name](#), [address](#), phone number, and, where available, [fax number](#) and email address. Any party submitting materials to the commission pursuant to this chapter shall ~~also provide an annotated listing of the material to the parties to the proposed agreement.~~ notify the parties to the economic growth sharing agreement that they have submitted materials to the Commission. The Commission may establish a time by which all submissions by respondent parties must be received.

1VAC50-20-384. Determination of continued eligibility for city status.

A. The commission shall review each decennial census of population released by the United States Bureau of the Census to determine whether any city has failed to meet the criteria for city status established by Article VII, Section 1 of the Constitution of Virginia. In any instance where the census indicates that a city may not meet the constitutional criteria, the commission shall conduct an investigation of the city's population, assets, liabilities, rights, and obligations and shall certify its findings to the governing body of such city.

B. In the conduct of its investigation, the commission shall request the assistance of the city in the provision of relevant data and information. The city may submit as much data, exhibits, documents, or other material as it deems appropriate; however, the submissions should be responsive to all relevant elements of [1VAC50-20-614](#).

1VAC50-20-390. General provisions applicable to mandatory commission reviews.

A. Any local government or other party appearing before the commission relative to any mandatory review may be represented by counsel.

B. The commission shall generally schedule for consideration issues in the order in which received; however, the commission reserves the right to consider issues in other sequence where it deems appropriate. Where notices are received of related or competitive actions affecting the same localities, the commission may, where appropriate, consider the issues and render the reports or a consolidated report concurrently.

C. Subsequent to its receipt of an issue for a mandatory review the commission or its staff shall meet, or otherwise converse, with representatives of the principally affected parties for purposes of establishing a

schedule for its review of the issue. The schedule shall include dates (i) for the submission of responsive materials from affected jurisdictions, (ii) for tours of affected areas and oral presentations if any are desired by the commission, (iii) for a public hearing, and (iv) for the issuance of the commission's report, as well as other dates the commission deems appropriate.

D. The commission may continue or defer its proceedings with respect to an issue at any time it deems appropriate; however, no continuance or deferral shall result in an extension of the commission's reporting deadline beyond any time limit imposed by law, except by agreement of the parties or in accordance with other statutory procedures. The commission shall also accept requests for continuances or deferrals from any party at any time during its proceedings but shall not grant or deny any such requests until all parties have had an opportunity to comment on the requests. In any instance where the commission grants a continuance or a deferral, the continuance or deferral may be conditioned upon an appropriate extension of the commission's reporting deadline with respect to the issue under review.

E. The commission may confront the necessity of continuing or deferring its proceedings as a result of statutory requirement or court order. In such instances, the commission shall reschedule its proceedings, upon consultation with the parties, in a manner that permits an expeditious conclusion of its review. The parties should anticipate, however, that the duration of the continuance or stay shall result in a commensurate delay in the issuance of the commission's report.

F. In addition to any meeting, presentation, public hearing, or other gathering of the parties specified by this chapter, the commission may, where it deems necessary for an analysis of material or for a discussion or clarification of the issues before it, schedule other meetings of appropriate parties.

G. No party to a proceeding before the commission for mandatory review shall communicate in any manner with any member of the commission with respect to the merits of the issue under review except as is authorized by this chapter, or as may be otherwise authorized by the commission or its chair.

H. In addition to the submissions authorized by [1VAC50-20-180](#) through [1VAC50-20-384](#), the commission may allow supplemental submissions deemed necessary or appropriate by the commission for the provision of current and complete data. Where supplemental submissions are authorized pursuant to this subsection, copies of all submissions shall be provided by the submitting party to all principal parties. The commission shall endeavor to establish dates for the filing of all supplemental submissions which will allow an opportunity for their review and critical analysis by other affected parties. However, the commission may accept supplemental submissions filed after any established dates if, in the commission's judgment, the submissions assist the commission in the discharge of its statutory responsibilities.

~~I. Any material submitted to the commission by the parties in conjunction with or relative to any notice filed pursuant to any mandatory review covered by [1VAC50-20-180](#) through [1VAC50-20-384](#), except materials presented in the context of negotiations or mediation of a confidential nature as authorized by law, shall be considered public documents and made available by the submitting party to the Commission for review by any other interested party or by the public. Any interested party or member of the public may request copies of any such material from the Commission or its staff in accordance with the Department of Housing and Community Development's Freedom of Information Act Policy. In addition, the Commission shall post all public documents as defined by this subsection on its website, which shall be provided promptly by the party submitting the material to the commission at a price sufficient to cover the expense incurred.~~

J. Each document, exhibit, or other material submitted to the commission shall bear a title, the date of preparation, a detailed citation of the sources from which all data are obtained, and the name of the entity which submitted the document, exhibit, or other material. All material submitted to the commission by a local government shall be, as nearly as practicable, in the same form as the material would subsequently be submitted to the courts. The commission may refuse to accept for review and consideration any exhibit, document, or other material unless the person preparing it, or a representative of the entity responsible for its submission, shall be

willing to appear before the commission for purposes of answering questions concerning the material.

K. Unless otherwise requested, wherever the regulations of the commission call for the projection of data, the projections should be made for a 10-year period. In each instance where projections are given, the method and bases of the projections should be indicated.

L. All data, exhibits, documents, or other material submitted to the commission on the initiative of a party or pursuant to a request from the commission shall be certified by the submitting party (i) as to source and (ii) as to the fact that the material is correct within the knowledge of the submitting party.

M. Any party filing notice or making submissions to the commission shall provide at least eight copies of all submissions, unless the commission agrees that a lesser number would be sufficient for its review and analysis. The commission may make provisions for the electronic filing of submissions, including facsimile.

~~N. At any time during the course of the commission's review of any issue, the commission's staff may solicit additional data, documents, records, or other materials from the parties as is deemed necessary for proper analysis of any issue. Where such materials are solicited from a party, the commission's staff, where practicable, shall make the request in writing, with copies of the request being provided to other principal parties. Copies of all materials submitted to the commission pursuant to this chapter shall concurrently be provided to each principal party or shall be made available to the parties in a manner acceptable to the commission. The commission shall be given written notification by the submitting party of each principal party provided a copy of the material or of arrangements proposed for making the material available to the principal parties.~~

O. The commission shall not be limited in its analysis of any issue to the materials submitted by the parties but shall undertake independent research as it deems appropriate in order to assure a full and complete investigation of each issue.

P. The commission shall request all parties to cooperate fully in the development and timely sharing of data relative to the issue under review. The commission considers the cooperation among parties vital to the discharge of its responsibilities.

Q. The commission may allow the parties to correct the data, exhibits, documents, or other material submitted to the commission prior to the date established for the closing of the record pursuant to [1VAC50-20-640](#) B. Where corrections are authorized pursuant to this chapter, copies of all corrections shall be provided by the submitting party to all principal parties. If, in the commission's judgment, the corrections are of a substantive nature as to significantly alter the scope or character of the issue under review, the commission may delay its proceedings for an appropriate amount of time to provide an opportunity for other parties to respond to the corrected data, exhibits, documents, or other material.

R. Following the receipt of a notice, the commission may request the party initiating the proposed action to prepare and file testimony in support of the proposed action. The testimony of the party initiating the proposed action may refer to all data, exhibits, documents, or other material previously submitted to the commission or filed with the testimony. In all proceedings in which the initiating party files testimony, the affected party shall be permitted and may be requested by the commission to file, on or before a date established by the commission, testimony in response to the proposed action. The testimony of the affected party may refer to all data, exhibits, documents, or other material previously submitted to the commission or filed with the testimony. Any affected party who chooses not to file testimony by the date established by the commission may not thereafter present testimony except by permission of the commission, but may otherwise fully participate in the proceeding and engage only in cross-examination of the testimony of other parties. Failure to comply with the directions of the commission, without good cause shown, may result in rejection of the testimony by the commission. The commission may permit the parties to correct or supplement any prepared testimony before or during the oral presentations as called for in [1VAC50-20-620](#). Eight copies of prepared testimony shall be filed unless otherwise

specified by the commission.

1VAC50-20-540. Annexation.

In developing its findings of fact and recommendations with respect to a proposed annexation, the commission shall consider the relevant information, data, and factors listed in this section. Any city or town filing notice with the commission that it proposes to annex territory shall submit with the notice data and other evidence responsive to each element listed in this section that it deems relevant to the proposed annexation. Any voters or property owners filing notice pursuant to § 15.2-2907 of the Code of Virginia with the commission seeking annexation to a municipality shall submit with the notice data and other evidence responsive to each element listed in this section that they deem relevant to the proposed annexation, except that subdivision 1 of this section is required to be included in the notice filed with the commission.

1. A written metes and bounds description of the boundaries of the area proposed for annexation having, as a minimum, sufficient certainty to enable a layman to identify the proposed new boundary. The description may make reference to readily identifiable monuments such as public roads, rivers, streams, railroad rights of way, and similar discernible physical features.
2. A map showing (i) the boundaries of the area proposed for annexation and their geographic relationship to existing political boundaries; (ii) identifiable unincorporated communities; (iii) major streets, highways, schools, and other major public facilities; (iv) significant geographic features, including mountains and bodies of water; (v) existing uses of the land, including residential, commercial, industrial, and agricultural; and (vi) information deemed relevant as to the possible future use of the property within the area sought for annexation.
3. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in the municipality, the county, and the area proposed for annexation.
4. The past, the estimated current, and the projected population of the municipality, the county affected by the proposed annexation, and the area of the county proposed for annexation.
5. The past, the estimated current, and the projected future number of public school students enrolled in the public schools and the number of school-age children living in the municipality, the county affected by the proposed annexation, and the area of the county proposed for annexation.
6. The assessed property values, by major classification, and if appropriate, the ratios of assessed values to true values for real property, personal property, machinery and tools, merchants' capital, and public service corporation property for the current year and the preceding 10 years for the municipality and the county affected by the proposed annexation, and similar data for the current year for the area of the county proposed for annexation.
7. The current local property and nonproperty tax rates and the tax rates for the preceding 10 years, applicable within the municipality, the county affected by the proposed annexation, and the area of the county proposed for annexation.
8. The estimated current local revenue collections and intergovernmental aid, the collections and aid for the previous 10 years, and projections of the collections and aid (including tax receipts from real property, personal property, machinery and tools, merchants' capital, business and professional license, consumer utility, and sales taxes) within the municipality, and the county affected by the proposed annexation, and similar data for the past year for the area of the county proposed for annexation.
9. The amount of long-term indebtedness and the purposes for which all long-term debt has been incurred by the municipality and the county affected by the proposed annexation.
10. The need in the area proposed for annexation for urban services, including those listed in this subdivision,

the level of services provided by the municipality and by the county affected by the proposed annexation, and the ability of the municipality and the county to provide the services in the area proposed for annexation:

- a. Sewage treatment;
- b. Water;
- c. Solid waste collection and disposal;
- d. Public planning;
- e. Subdivision regulation and zoning;
- f. Crime prevention and detection;
- g. Fire prevention and protection;
- h. Public recreational facilities;
- i. Library facilities;
- j. Curbs, gutters, and sidewalks;
- k. Storm drains;
- l. Street lighting;
- m. Snow removal;
- n. Street maintenance;
- o. Schools;
- p. Housing; and
- q. Public transportation.

11. Efforts made by the municipality and the county affected by the proposed annexation to comply with applicable state policies with respect to environmental protection, public planning, education, public transportation, housing, and other state service policies promulgated by the General Assembly.

12. The community of interest which (i) may exist between the municipality and the area proposed for annexation and its citizens and (ii) may exist between that area and its citizens and the rest of the county; the term "community of interest" may include consideration of natural neighborhoods, natural and manmade boundaries, the similarity of service needs, and economic and social bonds.

13. Any arbitrary prior refusal to cooperate by the governing body of the municipality or of the county affected by the proposed annexation, if such has occurred, to enter into cooperative agreements providing for joint activities that would have benefited citizens of both localities.

14. The need for the municipality to expand its tax resources, including its real estate and personal property tax base.

15. The need of the municipality to obtain land for industrial, commercial, and residential development.

16. The adverse effect on the county affected by the proposed annexation resulting from the loss of areas

suitable and developable for industrial, commercial, or residential use.

17. The adverse effect on the county of the loss of tax resources and public facilities necessary to provide services to those persons in the remaining areas of the county after the proposed annexation.

18. The adverse impact of the proposed annexation on agricultural operations located in the area proposed for annexation.

19. The terms and conditions upon which the municipality proposes to annex, its plans for the improvement of the annexed territory during the 10-year period following annexation, including the extension of public utilities and other services, and the means by which the municipality shall finance the improvements and extension of services.

20. Data pertinent to a determination of the appropriate financial settlement between the municipality and the affected county as required by § [15.2-3211](#) of the Code of Virginia and other applicable provisions of the Code of Virginia.

21. The commission's staff shall endeavor to assist parties contemplating or involved in annexation proceedings by identifying additional data elements considered by the commission to be relevant in the disposition of annexation issues.

1VAC50-20-550. Partial county immunity.

In developing its findings of fact and recommendations with respect to a proposed petition for partial immunity, the commission shall consider the relevant information, data, and factors listed in this section. Any county filing notice with the commission that it proposes to seek immunity for a portion of its territory shall submit with the notice data and other evidence responsive to each element listed in this section that it deems relevant to the proposed petition for partial immunity.

1. A written metes and bounds description of the area for which immunity is sought having, as a minimum, sufficient certainty to enable a layman to identify the proposed immunity areas. The description may make reference to readily identifiable monuments such as public roads, rivers, streams, railroad rights of way, and similar discernible physical features.

2. A map or maps showing: (i) the boundaries of the area proposed for immunity and their geographic relationship to existing political boundaries; (ii) identifiable unincorporated communities; (iii) major streets, highways, schools, and other major public facilities; (iv) significant geographic features, including mountains and bodies of water; (v) existing uses of the land, including residential, commercial, industrial, and agricultural; and (vi) information deemed relevant as to the possible future use of the property within the area for which immunity is sought.

3. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in the county, the affected city, and the area proposed for immunity.

4. The estimated current and projected population and population density of the areas for which immunity is sought.

5. The urban services, including but not limited to those listed below, provided in the area for which immunity is sought and the type and level of services in relation to those furnished by the city from which immunity is sought:

a. Sewage treatment;

b. Water;

- c. Solid waste collection and disposal;
 - d. Public planning;
 - e. Subdivision regulation and zoning;
 - f. Crime prevention and detection;
 - g. Fire prevention and protection;
 - h. Public recreational facilities;
 - i. Library facilities;
 - j. Curbs, gutters, sidewalks;
 - k. Storm drains;
 - l. Street lighting;
 - m. Snow removal;
 - n. Street maintenance;
 - o. Schools;
 - p. Housing; and
 - q. Public transportation.
6. Efforts made by the county to comply with applicable state policies with respect to environmental protection, public planning, education, public transportation, housing, and other state service policies promulgated by the General Assembly.
7. The community of interest that: (i) may exist between the area for which immunity is sought and the remainder of the county; (ii) the community of interest which may exist between that area and the city from which immunity is sought; and (iii) the relative strength of the community of interests.
8. Any instance in which either the county or the affected city has arbitrarily refused to cooperate in the joint provision of services.
9. Whether the proposed grant of immunity would substantially foreclose a city of 100,000 population or less from expanding its boundaries by annexation.
10. The commission's staff shall endeavor to assist localities contemplating or involved in partial immunity proceedings by identifying the additional data elements considered by the commission to be relevant in the disposition of partial immunity issues.

1VAC50-20-560. Town-county agreements defining annexation rights.

In developing its findings of fact and recommendations with respect to a proposed town-county annexation agreement, the commission shall consider the relevant information, data, and factors listed in this section. Any town or county presenting proposed annexation agreements to the commission under the provisions of § 15.2-3231 of the Code of Virginia shall submit with the proposed agreement data and other evidence responsive to each element listed in this section that it deems relevant.

1. A written metes and bounds description of those areas of the county made eligible for annexation under the proposed agreement having as a minimum, sufficient certainty to enable a layman to identify those areas. The description may make reference to readily identifiable monuments such as public roads, rivers, streams, railroad rights of way, and similar discernible physical features.
2. A map showing (i) the boundaries of the various areas eligible for annexation under the proposed agreement and their relationship to existing political boundaries; (ii) identifiable unincorporated communities; (iii) major streets, highways, schools, and other major public facilities; (iv) significant geographic features, including mountains and bodies of water; (v) existing uses of the land, including residential, commercial, industrial, and agricultural; and (vi) information deemed relevant as to the possible future use of the property in the areas affected by the proposed agreement.
3. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in the town, the county, and the areas of the county affected by the agreement.
4. The past, the estimated current, and the projected population of the town, the county, and those areas of the county affected by the proposed agreement.
5. The past, the estimated current, and the projected number of public school students enrolled in the public schools and the number of school-age children living in the town, the county, and those areas of the county affected by the proposed agreement.
6. The assessed property values, by major classification and, if appropriate, the ratios of assessed values to true values for real property, personal property, machinery and tools, merchants' capital, and public service corporation property for the current and preceding 10 years for the town, and the county, and similar data for the current year in those areas of the county affected by the proposed agreement.
7. The need of the municipality to expand its tax resources, including its real estate and personal property tax base.
8. The need of the municipality to obtain land for industrial, commercial, and residential development.
9. The current and prospective need for additional urban services in the areas of its county subject to annexation under the agreement.
10. Plans for the immediate and future improvement of areas annexed under the terms of the agreement, including the extension of public utilities and other services.
11. The commission's staff shall endeavor to assist localities contemplating or involved in town-county agreements defining annexation rights by identifying additional data elements considered by the commission to be relevant in the disposition of the issues.

1VAC50-20-570. Town incorporation.

In developing its findings of fact and recommendations with respect to a proposed town incorporation, the commission shall consider the relevant information, data, and factors listed in this section. Parties filing notice with the commission that they propose to have a community incorporated as a town, or whose petition for incorporation has been referred to the commission by the court pursuant to § [15.2-3601](#) of the Code of Virginia, shall submit with such notice or subsequent to the court referral data and other evidence responsive to each element listed in this section that they deem relevant to the proposed incorporation.

1. A petition signed by not fewer than 100 duly qualified voters residing within the boundaries of the proposed town supporting the proposed incorporation.

2. A written metes and bounds description of the area proposed for incorporation as a town having, as a minimum, sufficient certainty to enable a layman to identify the proposed town boundary. The description may make reference to readily identifiable monuments such as public roads, rivers, streams, railroad rights of way, and similar discernible physical features.
3. A map showing (i) the boundaries of the proposed town and their relationship to existing political boundaries; (ii) identifiable unincorporated communities; (iii) major streets, highways, schools, and other major public facilities; (iv) significant geographic features, including mountains and bodies of water; and (v) existing uses of the land, including residential, commercial, industrial, and agricultural.
4. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in the area proposed for incorporation.
5. The past, the estimated current, and the projected population of the area proposed for incorporation and the county within which the town would be situated.
6. Information indicating (i) why the proposed incorporation is desired and in the interest of the inhabitants; (ii) how the general good of the community is served by the incorporation; and (iii) why the services needed within the proposed town cannot be provided by the establishment of a sanitary district, through the extension of existing county services, or by other arrangements provided by law.
7. The commission shall endeavor to assist communities contemplating or involved in proposed town incorporations by identifying additional data elements considered by the commission to be relevant in the disposition of incorporation issues.

1VAC50-20-580. Town-city transitions.

In developing its findings of fact and recommendations with respect to a proposed town to city transition, the commission shall consider the relevant information, data, and factors listed in this section. Any town filing notice with the commission that it proposes to become a city shall submit with the notice data and other evidence responsive to each element listed in this section that it deems relevant to the proposed transition.

1. A written metes and bounds description of the boundaries of the proposed city having, as a minimum, sufficient certainty to enable a layman to identify the proposed city boundary. The description may make reference to readily identifiable monuments such as public roads, rivers, streams, railroad rights of way, and similar discernible physical features.
2. A map or maps showing: (i) the boundaries of the proposed city and their geographic relationship to existing political boundaries; (ii) identifiable unincorporated communities; (iii) major streets, highways, schools, and other major public facilities; (iv) significant geographic features, including mountains and bodies of water; (v) existing uses of the land, including residential, commercial, industrial, and agricultural; and (vi) information deemed relevant as to the possible future use of the property within the proposed city.
3. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in the proposed city.
4. The past, the estimated current, and the projected population of the proposed city and the county affected by the proposed transition.
5. The past, the estimated current, and the projected future number of public school students enrolled in the public schools and the number of school-age children living in the proposed city and the county affected by the proposed transition.

6. The assessed values, by major classification and, if appropriate, the ratios of assessed values to true values for real property, personal property, machinery and tools, merchants' capital, and public service corporation property for the current year and the preceding 10 years for the county and within the proposed city.
7. The current local property and nonproperty tax rates, and the tax rates for the preceding 10 years, applicable within the county and the proposed city.
8. The estimated current local revenue collections and intergovernmental aid, the collections and aid for the previous 10 years, and projections of the collections and aid, including tax receipts from real property, personal property, machinery and tools, merchants' capital, business and professional license, consumer utility and sales taxes, within the county and the proposed city.
9. The amount of long-term indebtedness and the purposes for which that long-term debt has been incurred by the municipality and the county affected by the proposed transition.
10. The current type and level of urban services provided by the town, the additional services to be provided and the additional costs to be borne by the proposed city, and the means by which the proposed city shall finance the additional services and costs.
11. The fiscal capacity of the town to function as an independent city and to provide appropriate urban services.
12. The effect and impact of the proposed transition on the ability of the county to meet the service needs of its remaining population and the means by which any substantial impairment of the county's ability to meet those needs shall be offset.
13. The effect of the proposed transition on compliance with and the promotion of applicable state policies with respect to environmental protection, public planning, education, public transportation, housing, and other state service policies declared by the General Assembly.
14. Data pertinent to a determination of the appropriate financial settlement as required by § [15.2-3829](#) and other applicable provisions of the Code of Virginia.
15. The commission's staff shall endeavor to assist localities contemplating or involved in town-city transition proceedings by identifying additional data elements considered by the commission to be relevant in disposition of town to city transition issues.

1VAC50-20-590. County-city transitions.

In developing its findings of fact and recommendations with respect to a proposed county to city transition, the commission shall consider the relevant information, data, and factors listed in this section. Any county filing notice with the commission that it proposes to become a city shall submit with the notice data and other evidence responsive to each element listed in this section that it deems relevant to the proposed transition.

1. A map showing (i) the location of all towns situated within the county; (ii) all adjoining and adjacent localities; (iii) identifiable unincorporated communities within the county; (iv) the population density of the various areas of the county; (v) the areas of the county served by urban services; (vi) major streets, highways, schools, and other major public facilities; (vii) significant geographic features, including mountains and bodies of water; (viii) existing uses of the land, including residential, commercial, industrial, and agricultural; and (ix) information deemed relevant as to the possible future use of the property within the county.
2. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in the county.

3. The past, the estimated current, and the projected future population of the county, each town within the county, and of the major densely populated unincorporated communities within the county.
4. The past, the estimated current, and the projected future number of public school students enrolled in the public schools and the number of school-age children living in the county and in each town within the county.
5. The assessed values, by major classification and if appropriate, the ratios of assessed values to true values for real property, personal property, machinery and tools, merchants' capital, and public service corporation property for the current year and the preceding 10 years for the county and each town within the county.
6. The current local property and nonproperty tax rates, and the tax rates for the preceding 10 years, within the county and all towns within the county.
7. The estimated current local revenue collections and intergovernmental aid, the collections and aid for the previous 10 years, and projections of the collections and aid (including tax receipts from real property, personal property, machinery and tools, merchants' capital, business and professional license, consumer utility, and sales taxes) within the county and within each town within the county.
8. The amount of long-term indebtedness of the county and each town within the county and the amount and purpose for which that debt has been incurred.
9. Data regarding (i) the urban-type services presently provided by the county; (ii) the level of those services; (iii) the areas of the county served by those services; (iv) the additional services to be provided and the additional cost to be borne by the proposed city; and (v) the means by which the proposed city shall finance the additional services and costs.
10. The fiscal capacity of the county to function as an independent city and to provide appropriate services.
11. The impact of the proposed transition on compliance with and the promotion of applicable state policies with respect to environmental protection, public planning, education, public transportation, housing, and other state service policies declared by the General Assembly.
12. The commission's staff shall endeavor to assist localities contemplating or involved in proposed county-city transitions by identifying additional data elements considered by the commission to be relevant in the disposition of county to city transition issues.

1VAC50-20-600. Boundary line adjustment.

In developing its findings of fact and recommendations with respect to a proposed boundary line adjustment, the commission shall consider the relevant information, data, and factors listed in this section. The localities petitioning for a boundary line adjustment under the provisions of § [15.2-3109](#) of the Code of Virginia shall, separately or jointly, at the time they initiate such petition to the court, submit to the commission data and other evidence responsive to each element listed in this section that is relevant to the boundary line adjustment.

1. A written metes and bounds description of the precise segment of the boundary for which an adjustment is sought having, as a minimum, sufficient certainty to enable a layman to identify the boundary segment in question. The description may make reference to readily identifiable monuments such as public roads, rivers, streams, railroad rights of way, and similar discernible physical features.
2. A map or maps showing: (i) the precise segment of the boundary that the parties agree should be adjusted; (ii) identifiable unincorporated communities; (iii) major streets, highways, schools, and other major public facilities; (iv) significant geographic features, including mountains and bodies of water; (v) existing uses of the land, including residential, commercial, industrial, and agricultural; and (vi) information deemed relevant as to the

possible future use of the land.

3. The estimated past, the estimated current, and the projected future population and population density of all areas adjacent to the segment of the boundary proposed for adjustment and of other areas possibly affected by the proposed boundary line adjustment.
4. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in all areas adjacent to the segment of the boundary proposed for adjustment and in other areas possibly affected by the proposed boundary line adjustment.
5. The past, the estimated current, and the projected future number of public school students enrolled in the public schools and the number of school-age children living in all areas adjacent to the segment of the boundary proposed for adjustment and in other areas possibly affected by the proposed boundary line adjustment.
6. The assessed and true real property values, by major classification of those areas adjacent to the segment of the boundary proposed for adjustment and of any other area possibly affected by the proposed adjustment and other fiscal data relative to the issue.
7. Maps indicating the principal alternative boundary line adjustments which have been considered by the parties and a brief statement as to how each alternative adjustment would promote the effective and efficient provision of public services.
8. Information as to why the proposed boundary line adjustment is sought by the parties.
9. The commission's staff shall endeavor to assist localities contemplating or involved in proposed boundary line adjustments by identifying additional data elements considered by the commission to be relevant in the disposition of boundary line adjustment issues.

1VAC50-20-601. City-town transitions.

In developing its findings of fact and recommendations with respect to a proposed transition of a city to town status, the commission shall consider the relevant information, data, and factors listed in this section. Any city filing notice with the commission that it proposes to become a town or any petition for the transition of a city to town status that has been referred to the commission by the court pursuant to § 15.2-4104 of the Code of Virginia should be accompanied by data and other evidence responsive to each element listed in this section that is relevant to the proposed transition.

1. Map or maps showing (i) the boundaries of the city proposed for transition and their geographic relationship to other political boundaries; (ii) identifiable unincorporated communities; (iii) major streets, highways, schools, and other major public facilities; (iv) significant geographic features, including mountains and bodies of water; (v) existing uses of the land within the city, including residential, commercial, industrial, and agricultural; and (vi) information deemed relevant as to the possible future use of the land within the city.
2. The past, the estimated current, and the projected future population and population of the city and the county affected by the proposed transition, and the estimated density of the city and the affected county.
3. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in the city and the county affected by the proposed transition.
4. The past, the estimated current, and a five-year projection of the future number of public school students enrolled in the public schools and the number of school-age children living in the city and the county affected by the proposed transition.
5. The assessed values, by major classification for real property, personal property, machinery and tools,

merchants' capital, and public service corporation property for the current year and the preceding 10 years for the city and for the county affected by the proposed transition.

6. The current local property and nonproperty tax rates, and the rates for the preceding 10 years, applicable within the city and the county affected by the proposed transition.
7. The estimated current local revenue collections (including receipts from real property, personal property, machinery and tools, consumer utility, sales taxes, etc., and receipts from nontax sources) and intergovernmental aid, and the collections and aid for the preceding 10 years, for the city and the county affected by the proposed transition.
8. The identification of those services performed by the city that are proposed for assumption by the county as a result of the proposed transition, the number of customers or recipients of each service within the city that would be served by the county subsequent to the transition, and the aggregate annual cost to the county for the provision of services within the city.
9. The identification of those services that would be provided by the town subsequent to the proposed reversion, the number of recipients of each service within the municipality, and the aggregate annual cost to the proposed town for the provision of services.
10. The identification of those city-owned facilities that are proposed for transfer to the county, the identification of those that would be retained by the proposed town, and the current fair market value and the outstanding city debt attributable to each facility.
11. The current outstanding debt of the city, the applicable portion of debt stated as a percentage of the city's constitutional debt limit, and the current schedule for the retirement of all municipal debt.
12. The identification of that portion of the city's indebtedness that is proposed for transfer to the county and the purposes for which the debt has been incurred.
13. Estimates of the annual amount of tax and nontax revenues to be collected by the county within the municipality subsequent to the proposed transition.
14. Estimates of the annual additional amount of intergovernmental aid to be received by the county as a result of the proposed transition.
15. An estimate of the net aggregate fiscal impact of the proposed transition on the county during the initial year subsequent to the transition and during each of the ensuing five years.
16. An estimate of the adjustment required in the county's real property tax rate, assuming that the net aggregate fiscal impact on the county resulting from the transition is addressed solely by an adjustment in the rate.
17. An estimate of the net aggregate fiscal impact of the proposed transition on the city during the initial year subsequent to the transition and during each of the ensuing five years.
18. An estimate of the adjustment required in the municipality's real property tax rate, assuming that the net aggregate fiscal impact on the city resulting from the transition is addressed solely by an adjustment in the rate.
19. The effect of the proposed transition on compliance with and the promotion of applicable state policies with respect to environmental protection, public planning, education, public transportation, housing, and other state service policies declared by the General Assembly.
20. Specification of the terms and conditions that should be established by the court to balance the equities between the city and the county; protect the best interests of the affected localities, their residents, and the

Commonwealth; and ensure an orderly transition of the city to town status.

21. The commission's staff shall endeavor to assist the parties involved in proceedings for the transition of a city to town status by identifying additional data elements considered by the commission to be relevant in the disposition of city to town transition issues.

1VAC50-20-605. County-city consolidations.

In developing its findings of fact and recommendations with respect to a proposed consolidation of a county and a city that would establish an independent city, the commission shall consider the relevant information, data, and factors listed in this section. Local governments filing notice proposing the consolidation of a city and a county to establish an independent city, or any committee of citizens that has been appointed by the circuit court to act for and in lieu of a governing body to perfect a consolidation agreement pursuant to § [15.2-3531](#) of the Code of Virginia shall, separately or jointly, submit to the commission data and other evidence responsive to each element listed in this section that they deem relevant to the proposed consolidation.

1. Copy of the consolidation agreement.
2. A map showing (i) the location of all municipalities situated within the proposed consolidated city; (ii) all adjoining and adjacent localities; (iii) identifiable unincorporated communities within the proposed consolidated city; (iv) major streets, highways, schools, and other major public facilities; (v) significant geographic features, including mountains and bodies of water; (vi) existing uses of the land, including residential, commercial, industrial, and agricultural; and (vii) information deemed relevant as to the possible future use of the property within the proposed consolidated city and as to its future viability.
3. The past, the estimated current, and the projected population of each locality proposing to consolidate.
4. The population density of the proposed consolidated city based on the most recent United States decennial census or as estimated by the Weldon Cooper Center for Public Service at the University of Virginia.
5. A land-use table showing both the acreage and percentage of land currently devoted to the various categories of land use in the proposed consolidated city.
6. The estimated current and a five-year projection of the future number of public school students enrolled in the public schools in each locality proposing to consolidate and the number of school-age children living in the proposed consolidated city.
7. The assessed values, by major classification for real property, personal property, machinery and tools, merchants' capital, and public service corporation property for the current year and the preceding 10 years for the county and the city proposing to consolidate and the proposed consolidated city.
8. The estimated local property and nonproperty tax rates that will be applicable within the proposed consolidated city.
9. The estimated local revenue collections including tax receipts from real property, personal property, machinery and tools, merchants' capital, business and professional license, consumer utility, and sales taxes and intergovernmental aid, such collections and aid for the preceding 10 years, and projections of the collections and aid within each of the localities proposing to consolidate.
10. The amount of long-term indebtedness of each of the localities proposing to consolidate and the amount and purpose for which that debt has been incurred.
11. Data regarding (i) the urban-type services presently provided by each of the localities proposing to

consolidate, (ii) the level of those services to be provided in the proposed consolidated city, (iii) the additional services to be provided and the additional cost to be borne by the proposed consolidated city, and (iv) the means by which the proposed consolidated city shall finance the additional services and costs.

12. The fiscal capacity of the proposed consolidated city to function as an independent city and to provide appropriate services.

13. The impact of the proposed consolidation on compliance with and the promotion of applicable state policies with respect to environmental protection, public planning, education, public transportation, housing, and other state service policies declared by the General Assembly.

14. The impact of the proposed consolidation on the interest of the Commonwealth in promoting strong and viable units of government in the area.

15. The commission's staff shall endeavor to assist the parties involved in proceedings for the consolidation of a county and a city that would establish an independent city by identifying additional data elements considered by the commission to be relevant in the disposition of city-county consolidation issues.

1VAC50-20-610. Voluntary settlement agreements.

In developing its findings of fact and recommendations with respect to a proposed agreement developed under the authority of § [15.2-3400](#) of the Code of Virginia, the commission shall consider the relevant information, data, and factors listed in this section. Local governments submitting a proposed agreement for review shall, separately or jointly, submit to the commission data and other evidence responsive to each element listed in this section that they deem relevant to the proposed voluntary settlement agreement.

1. If the agreement proposes a municipal boundary expansion, submissions should include data and evidence responsive to the relevant provisions of [1VAC50-20-540](#).
2. If the agreement proposes the immunization of areas of a county from annexation or the incorporation of new cities, submissions should include data and evidence responsive to the relevant provisions of [1VAC50-20-550](#).
3. If the agreement proposes the incorporation of a town, submissions should include data and evidence responsive to the relevant provisions of [1VAC50-20-570](#).
4. If the agreement proposes the transition of a town to city status, submissions should include data and evidence responsive to the relevant provisions of [1VAC50-20-580](#).
5. If the agreement proposes the transition of a county to city status, submissions should include data and evidence responsive to the relevant provisions of [1VAC50-20-590](#).
6. If the agreement proposes the transition of a city to town status, submissions should include data and evidence responsive to the relevant provisions of [1VAC50-20-601](#).
7. If the agreement proposes a revenue-sharing plan or similar arrangement by which jurisdictions will share the tax or revenue sources of an area, submissions should include:
 - a. A description of the plan;
 - b. Calculations indicating for each locality the projected future contributions to the plan for the next five-year period;
 - c. Each locality's projected net annual receipts or net annual contributions to the plan for the next five-year

period;

- d. Each locality's annual expenditures for the past five years and its projected annual expenditures for the next five years by general operating, school, and debt service categories;
 - e. Each locality's real estate and public service corporation property assessed values for the past five years and projected for the next five-year period;
 - f. Each locality's annual revenue for the past five years and projected for the next five-year period (exclusive of receipts from or payments to the economic growth sharing plan) by source and type;
 - g. Each locality's anticipated major capital needs for the next five-year period; and
 - h. Other information indicating the general equity of the proposed plan for each participating locality.
8. The commission's staff shall endeavor to assist localities contemplating or involved in the development of voluntary settlement agreements under the authority of § [15.2-3400](#) of the Code of Virginia by identifying additional data elements considered by the commission to be relevant to the commission's review of such agreements.

1VAC50-20-612. Voluntary economic growth-sharing agreements.

In developing its findings of fact and recommendations with respect to a proposed voluntary economic growth-sharing agreement developed under the authority of § [15.2-1301](#) of the Code of Virginia, the commission shall consider the relevant information, data, and factors listed in this section. Local governments submitting such a proposed agreement for review shall, separately or jointly, submit to the commission data and other evidence responsive to each element listed in this section that they deem relevant to the proposed agreement.

1. A copy of the proposed agreement and a description of the economic growth-sharing plan.
2. A description of the financial investment or other contributions which each participating locality will make to the project(s) envisaged under the agreement.
3. Projections of each participating locality's net annual receipts or net annual contributions to the project(s) specified in the agreement for the next 10-year period, or for a lesser or greater period as deemed appropriate.
4. A description of any dedication or restriction on the use of funds generated by the project(s) specified in the agreement for the participating localities.
5. Calculations indicating the estimated impact of the project(s) proposed in the agreement on the annual operating expenditures of each participating jurisdiction for the next 10-year period, or for a lesser or greater period as deemed appropriate.
6. Calculations indicating the estimated impact of the project(s) proposed in the agreement on the current and prospective capital expenditures of each participating jurisdiction over the course of the next 10-year period, or over a lesser or greater period as deemed appropriate.
7. Calculations indicating the estimated impact of the project(s) proposed in the agreement on the debt and annual debt service of each participating jurisdiction over the course of the next ten 10-year period, or over the course of a lesser or greater period as deemed appropriate.
8. Information indicating the general equity of the proposed plan for each participating locality.
9. Other information which would assist the commission in analyzing the "probable effect on the people" in the

participating jurisdictions of the proposed agreement.

10. The commission's staff shall endeavor to assist localities contemplating or involved in the development of voluntary economic growth-sharing agreements under the authority of § [15.2-1301](#) of the Code of Virginia by identifying additional data elements considered by the commission to be relevant to the commission's review of such agreements.

1VAC50-20-614. Determination of continued eligibility for city status.

In undertaking its investigation with respect to whether a city continues to meet the requirements for city status as prescribed by Article VII, Section 1 of the Constitution of Virginia, the commission shall consider the information and data listed in this section. Any city subject to investigation as prescribed by Chapter 40 (§ [15.2-4000](#) et seq.) of Title 15.2 of the Code of Virginia shall be requested to submit information and data responsive to each element listed in this section and any other information and data as the city deems relevant to the continued eligibility for city status.

1. Any official correspondence with the United States Bureau of the Census regarding the accuracy of the most recent United States decennial census of the population of the city under investigation.
2. Any data or other evidence produced by the city under investigation or any other entity bearing on the accuracy of the most recent United States decennial census of the population of the city under investigation.
3. Any data or other evidence produced by the city under investigation or any other entity indicating the current population and projected future population of the city under investigation.
4. Contingent upon the commission's findings with respect to the population of the city under investigation, a listing of all of the city's assets, liabilities, rights, and obligations.
5. The commission's staff shall endeavor to assist the city under investigation by identifying additional data elements considered by the commission to be relevant to the continued eligibility for city status.

1VAC50-20-616. Order defining a town's future annexation rights.

In developing its order defining the future annexation rights of a town pursuant to § [15.2-3234](#) of the Code of Virginia, the commission shall consider the relevant information, data, and factors listed in this section. Any petition referred to the commission requesting an order establishing a town's future annexation rights should be accompanied by data and other evidence responsive to each element listed in this section that the town deems relevant to the issue.

1. Information regarding the inability of the town and the county to reach a voluntary agreement as to the future annexation rights of the town.
2. Terms and conditions of a proposed order establishing the town's future annexation rights.
3. Data and evidence responsive to the relevant provisions of [1VAC50-20-540](#).
4. The commission's staff shall endeavor to assist localities involved in proceedings concerning an order defining a town's future annexation rights by identifying additional data elements considered by the commission to be relevant in the disposition of such issues.

1VAC50-20-620. Oral presentations by parties.

A. In the course of its analysis of any issue the commission may schedule oral presentations for purposes of permitting the parties to amplify their submissions, to critique and to offer comment upon the submissions and

evidence offered by other parties, and to respond to questions relative to the issue from the commission. The presentations, if scheduled, shall extend for a period of time as the commission may deem appropriate.

B. If oral presentations are scheduled by the commission, the chair shall select, subsequent to the receipt of recommendations from the parties, an appropriate site for the presentations. Recommendations by the parties regarding the sites should be based upon the adequacy of space for the display and movement of exhibits; the adequacy of seating arrangements for the commission, its staff, representatives of the parties, a court reporter, and the public; the adequacy of security at the site to permit materials to be left unattended during recesses; and the adequacy of the acoustical characteristics of the site to facilitate communications or the availability of a public address system.

C. Local governments or other parties desiring to present exhibits or data requiring special equipment should be prepared to provide such.

D. The commission may, where it deems appropriate, consolidate two or more interlocal issues before it for purpose of oral presentations.

E. The commission shall, within the requirements of law, conduct the oral presentations in the manner it considers best suited for reaching a decision in the best interest of the parties and in the best interest of the Commonwealth.

F. The chair, or other member the commission designated to preside during any oral presentations, may allocate time to the various parties as the chair or presiding member deems appropriate. The allocation of time shall be based upon the needs of the commission to review data, to examine witnesses, and to obtain an understanding of the relevant factors affecting the issue under review.

G. The sequence in which testimony will be received by the commission during any oral presentations shall be established by the chair or presiding member but shall generally be as follows:

1. A brief opening statement by each party, if desired;
2. Presentation by the party initiating the issue before the commission;
3. Presentations by the local governments immediately affected by the action proposed by the initiating party, in an order established by the chair or presiding member;
4. Presentations by other parties, in an order established by the chair or presiding member;
5. Rebuttal where requested by a party and agreed to by the chair or presiding member.

H. The chair or presiding member may, to the extent the chair or presiding member deems appropriate, permit parties to question witnesses regarding submissions, their testimony, or other facts relevant to the issues before the commission. Where a party is represented by counsel, such questioning may be conducted by counsel.

Where the parties have prefiled testimony at the commission's request pursuant to [1VAC50-20-390 R](#), the questioning of individuals whose testimony has been prefiled shall be limited to a cross-examination of such testimony. The commission may accept additional oral testimony from individuals whose testimony has been prefiled during the presentations where good cause is shown. Where additional oral testimony is accepted by the commission, the commission shall provide an opportunity for other parties to respond to the testimony and to cross-examine the individual offering such testimony.

I. The chair or presiding member may, during or at the conclusion of the oral presentations, permit or request oral argument on the issues before the commission.

J. The commission, and its staff, may question any witness or representative of any party during the oral presentations regarding any submission, testimony, or other fact which the commission considers relevant to the issues before it. The chair or presiding member shall endeavor to call for commission questioning in a manner designed to expedite the presentations.

K. The commission may accept depositions from persons unable to attend an oral presentation. Depositions shall only be accepted under conditions deemed acceptable by the commission, including conditions assuring an opportunity for all affected local governments to be present and to examine adequately the witness during the taking of depositions.

L. The parties or their counsel shall be expected to confer in advance of the time and date set for presentations in order to inform one another of their prospective witnesses and the order of their anticipated appearance. All material, data, or exhibits proposed for presentation to the commission during the oral presentations ~~and not previously made available to the other parties shall be exchanged or made available to the parties prior to presentation to the commission, subject to the qualifications in subsection M of this section.~~ shall be made available to other parties and the public and on the Commission's website whenever possible.

M. The commission requires that all materials, data, and exhibits be presented to it and made available to other parties in advance of the commencement of the onsite component of the commission's review. The commission may accept additional materials, data, and exhibits during the onsite component of its review upon unanimous consent of the members present. Where late submissions are accepted by the commission, the commission shall provide an opportunity for other parties to respond to the filings.

N. The commission may record by mechanical device, unless other recording arrangements are made by the parties, all testimony given during the oral presentations but shall prepare a transcript of the recording only when deemed appropriate. The commission shall provide, upon request, any party a duplicate copy of the transcript or recording, if made, in accordance with the Department of Housing and Community Development's Freedom of Information Act policy, ~~at a price sufficient to cover the expense incurred.~~ In lieu of recording by the commission, the parties may arrange to provide a court reporter at their expense. Where a court reporter is utilized, the commission shall receive one copy of the transcript.

1VAC50-20-630. Public hearing.

A. In all cases where a public hearing is required by law, the commission shall conduct the public hearing at which any interested person or party may testify. The commission shall generally schedule the public hearing in conjunction with the oral presentations held, if any, with respect to the issue; however, public hearings regarding proposed town incorporations required pursuant to § [15.2-3601](#) of the Code of Virginia shall be held no sooner than 30 days after receipt of the court request for commission review.

B. Prior to holding the public hearing the commission shall publish notice of the pending hearing as required by law.

In addition to the notice of public hearing required by this subsection, a town that is a party to an agreement defining annexation rights negotiated pursuant to § [15.2-3231](#) of the Code of Virginia shall give written notice of the commission's hearing at least 10 days before the hearing to the owners or their agent of each parcel of land included in the area proposed for annexation under the terms of the agreement. One notice sent by first-class mail to the last known address of the owners or their agent as shown on the current county real estate tax assessment books or current county real estate tax assessment records shall be deemed adequate compliance with this requirement, provided that the clerk of the town shall make an affidavit that the mailings have been made and file the affidavit with the commission.

C. The commission shall request the party initiating the issue before it and the other principally affected parties

to place on public display in or adjacent to the office of the chief administrative officer of each principally affected local government copies of all materials which are available to them and which have been submitted to the commission for consideration with respect to the issue. The material should be made conveniently available to the public during normal working hours. The commission also encourages the parties to make available to the public other copies of the material ~~at libraries, educational facilities, on their websites or at other public places~~ in order that the public might have ample opportunity to study the material prior to the public hearing. The commission's advertisements published under subsection B of this section shall announce the availability of the material at the offices of the administrators ~~and at other facilities as may be selected by the parties for display purposes.~~

D. The commission shall request the chief administrative officer (or other official) of each jurisdiction principally affected by the issue before the commission to make suitable arrangements in or adjacent to their offices for the registration of speakers at the public hearing. The commission shall furnish appropriate registration forms for that purpose. The commission's advertisements under subsection B of this section shall advise the public that registration to speak at the public hearing may be accomplished at the offices of the local administrators or, alternatively, through the offices of the commission in Richmond. The commission may also permit speakers to register at the site and at the time of the public hearing and shall request the assistance of the local administrative officers in making suitable arrangements for such registration.

E. The chair or other member of the commission designated to preside over the proceedings shall select the site for the public hearing subsequent to the receipt of recommendations from the parties. Recommendations from the parties should be based upon a site's accessibility to residents of the areas and jurisdictions principally affected, its seating capacity, the adequacy of parking facilities, the availability of a public address system, and seating arrangements permitting the commission to have proper visual contact with the public.

F. The commission shall request the parties to cooperate in the preparation of the site for the public hearing and shall request that a minimum number of maps and exhibits be placed on display at the site in order that persons testifying may identify their residences, property, businesses, or other concerns in relation to the proposed issue.

G. The commission shall request the local jurisdiction within which the site for the public hearing is situated to make appropriate arrangements in order to assure the security and the orderliness of the proceedings.

H. The chair or the presiding member shall determine the sequence of speakers at a public hearing, but the sequence shall ordinarily conform to the sequence of their registration. The chair or presiding member may, however, vary the sequence of speakers in order that persons from all affected jurisdictions and areas, and those representing different perspectives, might have equal opportunity for the timely presentation of their comments.

I. The commission shall endeavor to allow any person or party wishing to speak at a public hearing an opportunity to do so. The chair or presiding member may establish time limits for the presentation of testimony as the chair or presiding member deems appropriate. The chair or presiding member may also rule testimony irrelevant, immaterial, or unduly repetitious. Proponents and opponents of a proposed action are encouraged to designate a chief spokesman for economy of time and for the avoidance of repetitious comment.

J. Any person or party testifying before the commission at the public hearing may extend their remarks in written form for subsequent submission. During the course of the public hearing, the commission shall establish a date by which the extended written comment must be received for consideration.

K. The commission may record by mechanical device, unless other arrangements are made, all testimony given during the public hearing but shall prepare a transcript of the recording only when it deems appropriate. The commission shall provide any person or party with a copy of the transcript or recording, if made, **in accordance with the Department of Housing and Community Development's Freedom of Information Act policy** ~~at a price sufficient to cover the expense incurred.~~ The parties may arrange to provide a court reporter, at their expense. Where a court reporter is utilized, the commission shall receive one copy of the transcript.

L. The commission may, where it deems appropriate, consolidate two or more interlocal issues for purposes of a public hearing.

1VAC50-20-640. Conclusion of mandatory reviews.

A. The commission may request or authorize the parties to an issue to submit, at a time established by the commission, a written concluding argument with proposed findings and recommendations.

B. The commission shall not accept for consideration or for inclusion in the record of a case any document, exhibit, or other material submitted after the date established by it for the close of the record. This regulation shall not preclude the commission's acceptance of data or information from any party at any time which has been solicited by the commission or its staff.

~~C. The commission shall prepare an official record of all proceedings before it of such a nature and in such a manner as it deems appropriate.~~

D. The commission shall submit a written report on the issues presented to it in the manner and at such time as provided by law. The reports shall set forth findings of fact and recommendations on both the merits of a proposed action and, where appropriate and feasible, the financial aspects thereof. Copies of reports shall be made available to the parties and to members of the public requesting such. The commission may charge a fee for copies of its reports in ~~an amount sufficient to cover the cost of duplication, shipping, and handling.~~ accordance with the Department of Housing and Community Developments' Freedom of Information Act policies and applicable law.

E. Subsequent to its review of a petition submitted by a town under the authority of § [15.2-3234](#) of the Code of Virginia, and based upon the applicable statutory standards, the commission shall enter an order granting annexation rights to the town. The order may grant the town annexation rights upon the terms proposed by the town in its petition or upon some other basis as the commission deems appropriate and consistent with law. The order shall in no event grant the town the right to annex county territory by ordinance more frequently than once every five years.

1VAC50-20-650. Statutorily invoked mediation in annexation immunity issues.

A. For purposes of this section and § [15.2-2907\(E\)](#) of the Code of Virginia, the following definitions shall apply: "Initial notice" shall refer to the notice sent to the Commission by a locality proposing an action pursuant to § 15.2-2907A.

"Annexation or partial immunity suit" or "suit" shall refer to a court proceeding intended to resolve an annexation or partial immunity dispute that is filed after the commission has issued its advisory report pursuant to § 15.2-2907 of the Code of Virginia.

B. When any county, city, or town seeks to negotiate an agreement with one or more localities relative to annexation or partial immunity under the authority granted by § [15.2-2907 E](#) of the Code of Virginia, it shall notify the commission, and copies of the notice shall be served on all adjacent localities. The notice to the commission shall be accompanied by satisfactory evidence that the governing body of the locality giving notice supports the negotiation. Local governments negotiating under the above referenced provision of law shall keep the commission advised of progress in the negotiations. If, after a hearing, the commission finds that none of the parties is willing to continue to negotiate, or if it finds, based on progress reports and with or without a hearing, that three months have elapsed with no substantial progress, it shall declare the negotiations to be terminated. Unless the parties agree otherwise, negotiations shall in any event terminate 12 months from the date the initial notice was ~~first~~ given to the commission ~~of the desire to negotiate.~~ Once the commission has declared negotiations terminated, or upon the expiration of 12 months from the Commission's receipt of the initial notice, or upon any extension of the 12-month deadline agreed to by both parties, whichever comes first, ~~the 12-month negotiating term or any agreed extension thereof,~~ no new notice to negotiate shall be filed by any party.

C. Upon the request of the local governments negotiating under the authority of § 15.2-2907 E of the Code of Virginia, the commission, or its designee, may be requested to serve as mediator, and, in addition, the commission's staff and resources shall be available to assist the negotiating local governments. All expenses incurred by the commission and its staff in assisting with negotiations shall be borne by the parties initiating the negotiations unless otherwise agreed.

D. The Commission will not accept any notice filed under the authority granted by § 15.2-2907 E of the Code of Virginia before the initial notice is filed, nor shall it accept any notice after 12 months has passed since receipt of the initial notice unless both parties agree to an extension.

1VAC50-20-660. Mediation of other interlocal issues.

The commission shall, at its discretion, accept for mediation interlocal issues presented to it by mutual agreement of the affected localities. Requests for commission mediation under this section should be made to the commission's offices in Richmond and should be accompanied by satisfactory evidence that the governing bodies of the affected localities agree to the request for mediation assistance. The requests should include a statement indicating the issue for which mediation is sought and any other information as would enable the commission to determine whether its mediation effort would be timely and appropriate. Where the requests for mediation are presented to the commission prior to the submission of formal notice of pending action as required by § 15.2-2907 of the Code of Virginia, the requests need not be accompanied by any of the statistical data or material required under Part IV (1VAC50-20-540 et seq.) of this chapter. However, if the commission agrees to mediate interlocal issues under this section, the local governments requesting the mediation shall assist the commission by providing data, material, and other information as the commission or the parties deem necessary.

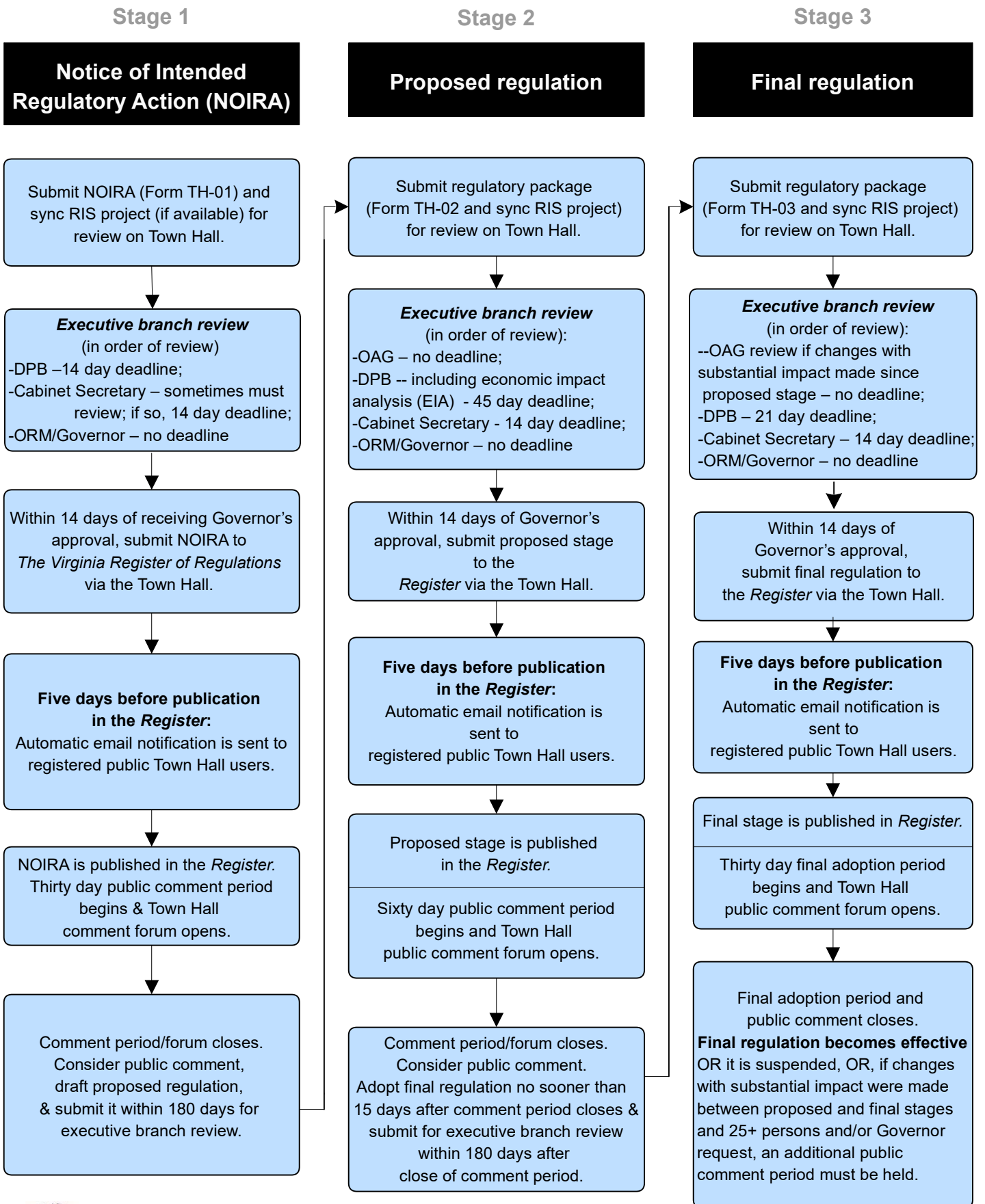
1VAC50-20-670. Requested investigations and analyses.

The commission may, if it deems appropriate and within the capability of its resources, accept requests from local governments for the undertaking of investigations and analyses. Requests for investigations and analyses should be addressed to the commission's offices in Richmond and should include satisfactory evidence that the governing body of the locality initiating the request supports the proposed study. The request should also include a detailed statement of the issue giving rise to the request for the study, a statement of the extent to which the issue is of general interest to local governments in Virginia, a statement concerning the prospective benefits of a study, and other information as would aid the commission in its determination as to whether or not to undertake the requested study. Where the commission agrees to undertake a study under this section, the locality or localities requesting the study shall assist the commission and provide, to the extent possible, the data and material the commission or the parties deem necessary for the study. The commission shall render reports on such studies at such a time and in such a manner as it deems appropriate.

CLG Regulatory Review Timelines—March 2024

	Adoption of proposed text at May meeting	Adoption of proposed text at July meeting
NOIRA public comment closes	4/24	4/24
Adoption	5/21	7/12
8 week Governor review	~7/15	~9/6
Submission to register	7/24	9/18
Publication in register	8/12	10/7
60 day public comment period closes	10/11	12/6
Adopt final regulation by	4/9/25 (November, January, or March meetings)	6/4/25 (January, March, or May meetings)

State Agency Guide to Standard Regulatory Process



VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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An Act to amend and reenact § 15.2-2903 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 15.2-2512.1, relating to local fiscal distress; state intervention.

[S 645]

Approved

Be it enacted by the General Assembly of Virginia:

1. That § 15.2-2903 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding a section numbered 15.2-2512.1as follows:

§ 15.2-2512.1. Local fiscal distress; determination by Auditor of Public Accounts; state intervention.

A. For purposes of this section:

"Auditor" means the Auditor of Public Accounts.

"Emergency fiscal manager" means an official appointed by the Commission on Local Government to implement a remediation plan approved by the Commission under subsection H to restore fiscal health for a locality in the Commonwealth. The "emergency fiscal manager" shall have broad powers to rectify the financial emergency and to assure the fiscal accountability of the locality and the locality's capacity to provide or cause to be provided necessary governmental services essential to the public health, safety, and welfare.

"Fiscal distress" means a situation whereby the provision and sustainability of public services, or the ability to appropriately fund financial liabilities, is threatened by various administrative and financial shortcomings, including cash flow issues, inability to pay expenses, revenue shortfalls, deficit spending, structurally imbalanced budgets, billing and revenue collection inadequacies and discrepancies, debt overload, failure to meet obligations to authorities, school divisions, or political subdivisions of the Commonwealth, lack of trained and qualified staff to process administrative and financial transactions, or the inability to timely produce an audited financial report. "Fiscal distress" may be caused by factors internal to the locality or external to the locality, and in various degrees such conditions may or may not be controllable by management or the local governing body or its constitutional officers.

B. The Auditor shall use leading indicators based on financial data and relevant nonfinancial factors to develop criteria for a preliminary determination that a locality may be in fiscal distress. Such criteria shall be based upon information regularly collected by the Commonwealth or otherwise regularly made public by the locality and the locality's annual audited financial reporting required to be submitted to the Auditor. Information provided by the Virginia Retirement System, the Virginia Resources Authority, the Virginia Public Building Authority, and other state and regional authorities concerning late or missed payments shall be shared with the Auditor.

C. Based upon the criteria established by the Auditor, the Auditor shall establish a prioritized early warning system. Under the prioritized early warning system, the Auditor shall establish a regular process whereby it reviews audited financial data and other relevant factors and qualitative information on at least an annual basis to make a preliminary determination that a locality may meet the criteria for fiscal distress. As part of the early warning system, the Auditor shall use leading financial indicators based on key data from the locality's audited financial reports to evaluate information related to a locality's financial position, financial reserves, debt, and operating revenues and expenditures, along with other relevant factors as applicable. The Auditor shall further evaluate localities that are identified as needing additional evaluation based on their initial financial indicators on the basis of additional leading indicators that may include retirement liabilities, revenue growth, economic and property market value data, reports prepared by the Commission on Local Government on revenue fiscal stress, and other relevant qualitative information.

If a locality has not submitted its audited annual financial report, pursuant to §§ 15.2-2510 and 15.2-2511, within 18 months of the required December 15 deadline or provided a plan to do so, the Auditor shall notify the Governor, the Secretary of Finance, and the Chairmen of the House Committees on Appropriations and Counties, Cities and Towns and the Senate Committees on Finance and Appropriations and Local Government that the Auditor is unable to review the locality's financial data as part of the early warning system or evaluate its financial condition due to the locality's delay with submitting its audited annual financial report. A locality's inability to timely produce its required audited financial report within 18 months of the required deadline as specified in this subsection or to provide a plan to do so shall automatically effectuate the provisions pursuant to subsection D whereby the Auditor shall make a preliminary determination that the locality may meet the criteria for fiscal

57 *distress.*

58 *D. For a locality where the Auditor has made a preliminary determination of fiscal distress based*
59 *upon the early warning system criteria, the Auditor shall notify the local governing body of its*
60 *preliminary determination that it may meet the criteria for fiscal distress. In coordination with the local*
61 *governing body or chief executive officer, the Auditor may conduct a review and request documents and*
62 *data from the locality and the locality's published budget information. Such review shall consider factors*
63 *including budget processes, debt, borrowing, expenses and payables, revenues and receivables, and*
64 *other areas, including staffing and the identification of external variables contributing to a locality's*
65 *financial position. Any local governing body that receives requests for information from the Auditor*
66 *pursuant to such preliminary determination based on the above-described threshold levels shall*
67 *acknowledge receipt of such a request and shall ensure that a response is provided within the*
68 *timeframes specified by the Auditor. If the locality does not acknowledge the Auditor's notification of a*
69 *preliminary determination or does not provide a response to the Auditor's requests within reasonable*
70 *timeframes so specified, the Auditor shall notify the Governor, the Secretary of Finance, and the*
71 *Chairmen of the House Committees on Appropriations and Counties, Cities and Towns and the Senate*
72 *Committees on Finance and Appropriations and Local Government that the locality is not responsive.*
73 *After such review, if the local governing body or chief executive officer requests assistance or the*
74 *Auditor is of the opinion that state assistance, oversight, or targeted intervention is needed, either to*
75 *further assess, help stabilize, or remediate the situation, the Auditor shall notify the Governor and the*
76 *Chairmen of the House Committees on Appropriations and Counties, Cities and Towns and the Senate*
77 *Committees on Finance and Appropriations and Local Government and the governing body of the*
78 *locality in writing, outlining specific issues or actions that need to be addressed by state assistance,*
79 *oversight, or intervention.*

80 *E. 1. Once the Governor has received a notification from the Auditor indicating fiscal distress in a*
81 *specific locality, the Governor shall consult with the Chairmen of the House Committee on*
82 *Appropriations and the Senate Committee on Finance and Appropriations about a plan for state*
83 *assistance, oversight, or intervention prior to any expenditure of funds from the cash reserve. Any plan*
84 *approved by the Governor for state assistance, oversight, or intervention shall, at a minimum, specify*
85 *the purpose of such state assistance, oversight, or intervention efforts, the estimated duration of such*
86 *efforts, and the anticipated resources, dollar amounts, and personnel directed toward such efforts. The*
87 *staffing necessary to carry out the assistance, oversight, or intervention plan may be assembled from*
88 *either public agencies or private entities or both and, notwithstanding any other provisions of law, the*
89 *Governor may use an expedited method of procurement to secure such staffing when, in his judgment,*
90 *the need for state assistance, oversight, or intervention is of an emergency nature such that action must*
91 *be taken in a timely manner to avoid or address unacceptable financial risks to the Commonwealth.*

92 *2. The Director of the Department of Planning and Budget shall identify any amounts remaining*
93 *unexpended from general fund appropriations in the state budget as of June 30 of each year, which*
94 *constitute state aid to local governments. The Director shall provide a listing of such amounts*
95 *designated by item number and by program on or before August 15 of each year to the Governor and*
96 *the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance and*
97 *Appropriations.*

98 *3. From such unexpended balances identified by the Director of the Department of Planning and*
99 *Budget, the Governor may reappropriate up to \$750,000 from amounts that would otherwise revert to*
100 *the balance of the general fund and transfer such amounts as necessary to establish a component of*
101 *fund balance, which may be used for the purpose of providing state assistance, oversight, and*
102 *intervention actions for localities deemed to be fiscally distressed and in need of state assistance,*
103 *oversight, or intervention to address such distress. Any such reappropriation approved by the Governor*
104 *shall be separately identified in the commitments specified on the balance sheet and financial statements*
105 *of the State Comptroller for the close of each fiscal year, to the extent that such reserve is not used or*
106 *added to by future appropriation actions.*

107 *4. Prior to any expenditure of the reappropriated reserve, the Governor and the Chairmen of the*
108 *House Committees on Appropriations and Counties, Cities and Towns and the Senate Committees on*
109 *Finance and Appropriations and Local Government shall receive a notification from the Auditor that a*
110 *specific locality is in need of state assistance, oversight, or intervention because of a worsening*
111 *financial situation. The Auditor may issue such a notification upon receipt of an audited financial*
112 *statement or other information that indicates the existence of fiscal distress. However, no such*
113 *notification shall be made until appropriate follow up and correspondence ascertains that, in the*
114 *opinion of the Auditor, such fiscal distress exists. Such notification may also be issued by the Auditor if*
115 *written concerns raised about fiscal distress are not adequately addressed by the locality in question.*
116 *The notification issued by the Auditor indicating fiscal distress in a specific locality pursuant to*
117 *subsection D shall satisfy the notification requirement of this subdivision.*

118 F. The governing body and the elected constitutional officers of a locality subject to a plan of state
 119 assistance, oversight, or intervention approved by the Governor shall assist all state-appointed staff
 120 conducting such efforts regardless of whether such staff are from public agencies or private entities. The
 121 state-appointed staff shall provide periodic reports in writing to the Governor and the Chairmen of the
 122 House Committees on Appropriations and Counties, Cities and Towns and the Senate Committees on
 123 Finance and Appropriations and Local Government outlining the scope of issues discovered and any
 124 recommendations made to address such issues, and the progress that is made on such recommendations
 125 or other state assistance, oversight, or intervention efforts. These periodic reports shall specifically
 126 address the degree of cooperation the state-appointed team is receiving from locally elected officials,
 127 including constitutional officers, city, county, or town managers, and other local personnel in regard to
 128 their intervention work.

129 G. The Commission on Local Government shall act in an oversight capacity for the purpose of
 130 determining whether a locality has taken appropriate action to address the issues specified in subsection
 131 D as requested by the intervention staff and whether the locality appears to be on track to resolve its
 132 fiscal distress. Technical assistance, based on the Auditor's existing oversight and support provided for
 133 local governments, shall be provided to the Commission on Local Government by the Auditor, and all
 134 agencies of the Commonwealth shall provide assistance to the Commission, upon request. The
 135 Commission on Local Government shall report its findings and conclusions to the Governor and the
 136 Chairmen of the House Committees on Appropriations and Counties, Cities and Towns and the Senate
 137 Committees on Finance and Appropriations and Local Government.

138 H. For purposes of this subsection, "locality" means any locality located in Planning District 19. If
 139 the Commission on Local Government's report to the Governor concludes that a locality is either
 140 unwilling or unable to comply with the conditions necessary to address its fiscal distress, the
 141 Commission on Local Government shall appoint an emergency fiscal manager and implement a
 142 remediation plan to restore sustainable fiscal health to the locality. Following such appointment and
 143 during the duration of state remediation, the governing body and the chief executive officer of the
 144 locality shall not exercise any of the powers of those offices directly or indirectly relating to the
 145 locality's finances except as provided in this subsection and such governing body and chief executive
 146 officer shall be subject to any conditions required by the emergency fiscal manager. Notwithstanding
 147 any other provision of law, general or special, the emergency fiscal manager may shift certain
 148 responsibilities and duties from the treasurer of the locality to the emergency fiscal manager if the
 149 emergency fiscal manager determines that it is necessary in order to implement the remediation plan.
 150 The emergency fiscal manager shall (i) implement an approved fiscal recovery plan; (ii) approve all
 151 professional services, suppliers, service provider contracts, and contractual labor agreements; (iii)
 152 approve all city employee payrolls; (iv) approve all long-term debt service and loan payments; (v)
 153 complete internal control and forensic audit assessments, as needed; and (vi) approve the annual
 154 operating and capital budget. The emergency fiscal manager may make recommendations to the
 155 governing body regarding the locality's personnel and staffing. The authority granted under this
 156 subsection may apply to any locality facing fiscal distress whether such fiscal conditions originated
 157 before or after the enactment of this authority. The emergency fiscal manager shall submit a
 158 remediation plan to resolve the locality's fiscal distress to the Commission on Local Government, which
 159 shall approve, reject, or revise the plan after timely notice of any proposed actions to be taken has been
 160 provided to the public and an opportunity for public input has been provided and such input has been
 161 considered by the Commission on Local Government. Such plan shall specify the purpose of remediation
 162 efforts, including the roles and responsibilities of the local governing body and the chief executive
 163 officer, directly or indirectly, relating to the locality's finances and the benchmarks that will allow a
 164 locality to exit the state remediation plan upon meeting such benchmarks. Following approval of the
 165 remediation plan by the Commission on Local Government, the emergency fiscal manager shall report
 166 regularly to the Commission on Local Government, the Governor, and the Chairmen of the House
 167 Committees on Appropriations and Counties, Cities and Towns and the Senate Committees on Finance
 168 and Appropriations and Local Government regarding progress in implementation of the remediation
 169 plan. The Commission on Local Government shall determine when the locality has met the benchmarks
 170 approved in the remediation plan and shall so notify the Governor and the Chairmen of the House
 171 Committees on Appropriations and Counties, Cities and Towns and the Senate Committees on Finance
 172 and Appropriations and Local Government.

173 I. The Department of General Services shall develop a master contract of qualified private sector
 174 turnaround specialists with expertise in local government intervention that the Governor can use to
 175 procure intervention services in an expeditious manner when he determines that state intervention is
 176 warranted in situations of local fiscal distress.

177 **§ 15.2-2903. General powers and duties of Commission.**

178 The Commission shall have the following general powers and duties:

- 179 1. To make regulations, including rules of procedure for the conducting of hearings;
180 2. To keep a record of its proceedings and to be responsible for the custody and preservation of its
181 papers and documents;
182 3. To serve as a mediator between localities;
183 4. To investigate, analyze, and make findings of fact, as directed by law, as to the probable effect on
184 the people residing in any area of the Commonwealth of any proposed action in that area:
185 a. To annex territory,
186 b. To have an area declared immune from annexation,
187 c. To establish a town or independent city,
188 d. To settle or adjust boundaries between localities,
189 e. To make a transition from city status to town status,
190 f. To make a transition from a county to a city,
191 g. To consolidate two or more localities, at least one of which is a county, into a city, or
192 h. To enter into economic growth-sharing agreements among localities;
193 5. To conduct investigations, analyses and determinations, in the sole discretion of the Commission,
194 for the guidance of localities in the conduct of their affairs upon the request of such localities;
195 6. To receive from all agencies, as defined in § 2.2-128, assessments of all mandates imposed on
196 localities administered by such agencies. The assessments shall be conducted on a schedule to be set by
197 the Commission, with the approval of the Governor and the Secretary of Commerce and Trade, provided
198 that the assessments shall not be required to be performed more than once every four years. The purpose
199 of the assessments shall be to determine which mandates, if any, may be altered or eliminated. If an
200 assessment reveals that such mandates may be altered or eliminated without interruption of local service
201 delivery and without undue threat to the health, safety and welfare of the residents of the
202 Commonwealth, the Commission shall so advise the Governor and the General Assembly;
203 7. To prepare and annually update a catalog of state and federal mandates imposed on localities
204 including, where available, a summary of the fiscal impact on localities of all new mandates. All
205 departments, agencies of government, and localities are directed to make available such information and
206 assistance as the Commission may request in maintaining the catalog;
207 8. [Expired];
208 9. *To act in an oversight capacity and coordinate with the Auditor of Public Accounts for the*
209 *purpose of determining whether a locality in fiscal distress has taken appropriate action as provided in*
210 *§ 15.2-2512.1; and*
211 10. To perform such other duties as may be imposed upon it, from time to time, by law.

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: SB645

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Lashrecse Aird

3. Committee: Passed Both Houses

4. Title: Local fiscal distress; determination by Auditor of Public Accounts; state intervention.

5. Summary: Sets out a procedure for determining when localities are in fiscal distress, as defined in the bill, and when state intervention may be necessary. The bill requires the Auditor of Public Accounts to develop criteria for a preliminary determination that a locality may be in fiscal distress. The bill also requires the Director of the Department of Planning and Budget to identify any amounts remaining unexpended from general fund appropriations in the state budget as of June 30 of each year, which constitute state aid to local governments. From such unexpended balances, the Governor may reappropriate up to \$750,000 from amounts that would otherwise revert to the balance of the general fund and transfer such amounts as necessary to establish a component of fund balance that may be used for the purpose of providing state assistance, oversight, and intervention actions for localities deemed to be fiscally distressed and in need of state assistance, oversight, or intervention to address such distress. The bill provides that if a report to the Governor concludes that a locality is either unwilling or unable to comply with the conditions necessary to address its fiscal distress, the Commission on Local Government shall appoint an emergency fiscal manager and implement a remediation plan to restore sustainable fiscal health to the locality. The emergency fiscal officer shall give timely notice of any proposed actions to be taken and an opportunity for public input prior to such action and shall establish benchmarks that will allow a locality to exit the state intervention plan upon meeting such benchmarks.

6. Budget Amendment Necessary: Yes, Item 106.

7. Fiscal Impact Estimates: Indeterminate, see Item 8.

8. Fiscal Implications: This bill requires the Auditor of Public Accounts (APA) to use leading indicators based on financial data and relevant nonfinancial factors to develop criteria for making a preliminary determination of fiscal distress. Based on criteria established, the APA shall establish an early warning system, and establish a regular process where they review audited financial data and other relevant factors on at least an annual basis to make a preliminary determination if a locality meets the criteria for fiscal distress. The APA indicates that the impact of this bill can be absorbed with current resources.

The impact of this bill on the Commission on Local Government (CLG) is indeterminate, as it is not possible to predict how many cases of fiscal distress will be identified by the APA. However, the CLG does not currently have the expertise or capacity required to carry out the required tasks. Additional resources will be needed for the CLG to perform the oversight required in the bill if any such fiscal distress cases are identified.

The CLG is required to oversee the remediation of issues as identified in the bill, and report findings to the Governor and Chairmen of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations. The Commission is additionally required to appoint an emergency fiscal manager, implement a remediation plan, and determine when the locality has met the benchmarks in the approved remediation plan. The CLG currently has three part-time positions on staff. None of the Commission's staff has the required public finance expertise or the capacity to perform the required tasks.

According to the CLG, if an estimated three fiscal distress cases are identified in planning district 19 based on the APA's early warning system, two general-fund-supported positions would be required for the CLG to meet the requirements of the bill. The positions include one Auditor I and one General Administration Coordinator, for an ongoing total of \$300,000. Additionally, an estimated two additional public meetings would require \$2,020 per year.

The Department of Planning and Budget and the Department of General Services indicate any requirements of this bill can be absorbed with current resources.

9. Specific Agency or Political Subdivisions Affected: Auditor of Public Accounts, Commission on Local Government, Department of Planning and Budget, Department of General Services

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 3/8/2024

24104944D

HOUSE BILL NO. 725

Offered January 10, 2024

Prefiled January 9, 2024

A *BILL to amend and reenact § 15.2-1800 of the Code of Virginia, relating to counties, cities and towns; powers of local government; conveyance of real property; public hearing requirement.*

Patrons—Webert and Lovejoy

Referred to Committee on Counties, Cities and Towns

Be it enacted by the General Assembly of Virginia:

1. That § 15.2-1800 of the Code of Virginia is amended and reenacted as follows:

§ 15.2-1800. Purchase, sale, use, etc., of real property.

A. A locality may acquire by purchase, gift, devise, bequest, exchange, lease as lessee, or otherwise, title to, or any interests in, any real property, whether improved or unimproved, within its jurisdiction, for any public use. Acquisition of any interest in real property by condemnation is governed by Chapter 19 (§ 15.2-1901 et seq.). The acquisition of a leasehold or other interest in a telecommunications tower, owned by a nongovernmental source, for the operation of a locality's wireless radio communications systems shall be governed by this chapter.

B. Subject to any applicable requirements of Article VII, Section 9 of the Constitution, any locality may sell, at public or private sale, exchange, lease as lessor, mortgage, pledge, subordinate interest in or otherwise dispose of its real property, which includes the superjacent airspace (except airspace provided for in § 15.2-2030) which may be subdivided and conveyed separate from the subjacent land surface, provided that no such real property, whether improved or unimproved, shall be disposed of until the governing body has held a public hearing concerning such disposal. However, the holding of a public hearing shall not apply to (i) the leasing of real property to another public body, political subdivision or authority of the Commonwealth or; (ii) conveyance of site development easements, or utility easements related to transportation projects, across public property, including, but not limited to, easements for ingress, egress, utilities, cable, telecommunications, storm water management, and other similar conveyances, that are consistent with the local capital improvement program, involving improvement of property owned by the locality; or (iii) the conveyance of any utility easement necessary to provide utilities to any residential property adjacent to property owned by the locality. The provisions of this section shall not apply to the vacation of public interests in real property under the provisions of Articles 6 (§ 15.2-2240 et seq.) and 7 (§ 15.2-2280 et seq.) of Chapter 22.

C. A city or town may also acquire real property for a public use outside its boundaries; a county may acquire real property for a public use outside its boundaries when expressly authorized by law.

D. A locality may construct, insure, and equip buildings, structures and other improvements on real property owned or leased by it.

E. A locality may operate, maintain, and regulate the use of its real property or may contract with other persons to do so.

Notwithstanding any contrary provision of law, general or special, no locality providing access and opportunity to use its real property, whether improved or unimproved, may deny equal access or a fair opportunity to use such real property to, or otherwise discriminate against, the Boy Scouts of America or the Girl Scouts of the USA. Nothing in this paragraph shall be construed to require any locality to sponsor the Boy Scouts of America or the Girl Scouts of the USA, or to exempt any such groups from local policies governing access to and use of a locality's real property. The provisions of this paragraph applicable to a locality shall also apply equally to any local governmental entity, including a department, agency, or authority.

F. This section shall not be construed to deprive the resident judge or judges of the right to control the use of the courthouse.

G. "Public use" as used in this section shall have the same meaning as in § 1-219.1.

INTRODUCED

HB725